
**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): May 7, 2026

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, Suite 100
Lexington, Kentucky 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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	VVV	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.

Item 2.02. Results of Operations and Financial Condition

On May 7, 2026, Valvoline Inc. ("Valvoline") issued a press release ("Earnings Release") announcing its financial results for the second quarter ended March 31, 2026. A copy of Valvoline's Earnings Release is attached to this Current Report on Form 8-K ("Form 8-K") as Exhibit 99.1, which is incorporated by reference into this Item 2.02.

Item 7.01. Regulation FD Disclosure

On May 7, 2026, Valvoline will make the Earnings Release available on its website located at <http://investors.valvoline.com>. On May 7, 2026, Valvoline will make available a webcast and slide presentation relating to the Earnings Release on Valvoline's website located at <http://investors.valvoline.com>.

Item 9.01. Financial Statements and Exhibits

(d)	Exhibits
99.1	Earnings Release dated May 7, 2026.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

In connection with the disclosures set forth in Items 2.02 and 7.01, the information in this Form 8-K, including Exhibit 99.1 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 this Form 8-K, including Exhibit 99.1, 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: May 7, 2026

By: /s/ J. Kevin Willis
J. Kevin Willis
Chief Financial Officer



PRESS RELEASE

Valvoline Inc. Reports Second Quarter Results

Delivers 25% top-line growth, 8.2% system-wide SSS growth; Updates guidance

LEXINGTON, Ky., May 7, 2026 – Valvoline Inc. (NYSE: VVV), the quick, easy, trusted leader in preventive automotive maintenance, today reported financial results for its second quarter ended March 31, 2026. All comparisons in this press release are made to the same prior-year period unless otherwise noted.

“We delivered a strong second quarter with results that reflect our focus on driving the full potential of the core business,” said Lori Flees, President & CEO. “Top-line sales grew 25% underpinned by system-wide same-store sales growth of 8.2% and the contribution from new stores, including Breeze, which is performing well as we continue to execute against our integration plans. We also delivered strong profit growth and margin expansion this quarter by maintaining high productivity in our stores and improving SG&A leverage.”

Continuing Operations - Operating Results

- Sales of \$504 million grew 25% and system-wide store sales increased 20% to \$987 million
- System-wide same store sales (SSS) growth of 8.2%
- Reported income from continuing operations of \$45 million grew 18% and diluted earnings per share (EPS) of \$0.35 increased 17%
- Adjusted EBITDA of \$134 million increased 28% and adjusted EPS of \$0.41 increased 21%
- System-wide net store additions in the quarter totaled 29 (15 franchise and 14 company-operated additions)

Balance Sheet and Cash Flow

- Cash and cash equivalents balance of \$85 million; total debt of \$1.7 billion
 - Year-to-date operating cash flow from continuing operations of \$160 million and free cash flow of \$45 million, an improvement of \$57 million over the prior year
-

Outlook

Fleets added, “Our proven business model and resilient customer demand, combined with our team’s strong execution, reinforces our confidence in the growth algorithm. We are pleased with the momentum in the business and are updating our full-year guidance to reflect that.”

Information regarding the Company’s outlook for fiscal 2026 is provided in the table below:

	Updated Outlook	Prior Outlook
System-wide SSS growth ¹	5% - 6.5%	4% - 6%
System-wide store additions ¹	no change	330 - 360
Net revenues	no change	\$2.0 - \$2.1 billion
Adjusted EBITDA ¹	\$540 - \$560 million	\$525 - \$550 million
Adjusted EPS ¹	\$1.65 - \$1.75	\$1.60 - \$1.70
Capital expenditures	no change	\$250 - \$280 million

¹ Refer to the Key Business Measures and Use of Non-GAAP Measures sections herein for further information regarding management’s use of these measures.

Valvoline’s outlook for adjusted EBITDA and adjusted EPS are non-GAAP financial measures that are expected to be impacted by items affecting comparability. Valvoline is unable to reconcile these forward-looking non-GAAP financial measures to the comparable GAAP measures estimated for fiscal 2026 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 these GAAP measures in fiscal 2026 but would not impact non-GAAP adjusted results.

Second Quarter Operating Results

(In millions, except per share amounts and store counts)	Q2 results	YoY growth
Net revenues	\$ 503.8	25%
Operating income ^(a)	\$ 86.0	29%
Income from continuing operations ^(a)	\$ 45.3	18%
EPS ^(a)	\$ 0.35	17%
Adjusted EPS ^(b)	\$ 0.41	21%
Adjusted EBITDA ^(b)	\$ 133.6	28%
System-wide store sales ^(b)	\$ 986.6	20%
	Q2 results	Quarter change
System-wide stores ^(b)	2,409	+29
Company-operated stores ^(c)	1,210	+14
Franchised stores ^{(b) (c)}	1,199	+15
	Q2 - YoY growth	
System-wide SSS ^(b)	8.2%	

(a) Includes the effects 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"). These key items are delineated within Table 6 - Non-GAAP Reconciliation - Income from Continuing Operations and Diluted Earnings per Share.

(b) Refer to Key Business Measures, Use of Non-GAAP Measures, Table 4 - Retail Stores Operating Information, Table 6 - Non-GAAP Reconciliation - Income from Continuing Operations and Diluted Earnings per Share, and Table 7 - Non-GAAP Reconciliation - Net Revenues and EBITDA from Continuing Operations for management's definitions of the metrics presented above and reconciliation to the corresponding GAAP measures, where applicable.

(c) Changes reflect the effects of conversions between company-operated and franchised stores, representing changes in the mix of stores that do not impact the total system-wide store count.

Conference Call Webcast

Valvoline will host a live audio webcast of its second quarter fiscal 2026 conference call today, May 7, 2026, at 9 a.m. ET. The webcast and supporting materials will be accessible through Valvoline's website at <http://investors.valvoline.com>. Following the live event, an archived version of the webcast and supporting materials will be available.

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 system-wide SSS and 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 net revenues 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 of U.S. Valvoline Instant Oil ChangeSM (VIOCSM) system-wide stores that have been in operation for at least 12 full months within the system, and beginning in fiscal 2026, mobile service net revenues in markets that leverage store marketing channels.

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 Condensed 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.

Use of Non-GAAP Measures

The following non-GAAP measures are included herein: EBITDA, adjusted EBITDA, and adjusted EBITDA margin; adjusted net income and adjusted diluted earnings per share; and free cash flow and free cash flow excluding growth capital expenditures. Refer to the tables herein for management's definition of each non-GAAP measure and reconciliation to the most comparable U.S. GAAP measure.

Non-GAAP measures include adjustments from results based on U.S. GAAP that management believes enables comparison of certain financial trends and results between periods and provides a useful supplemental presentation of Valvoline's operating performance that allows for transparency with respect to key metrics used by management in operating the business and measuring performance. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation from, 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 manner used to compute the non-GAAP information used by management may differ from the methods used by other companies and may not be comparable.

Refer to the Appendix at the end of this release for descriptions of the adjustments that depart from the computations in accordance with U.S. GAAP.

About Valvoline Inc.

Valvoline Inc. (NYSE: VVV) delivers quick, easy, trusted service at more than 2,400 franchised and company-operated service centers across the United States and Canada. The Company completes more than 30 million services annually system-wide, from about 15-minute stay-in-your-car oil changes to a variety of manufacturer-recommended maintenance services such as wiper replacements and tire rotations. At Valvoline Inc., it all starts with our people, including the 13,000 team members who are working to drive the full potential of our core business, deliver sustainable network growth and innovate to meet the evolving needs of our customers and the car parc. For more information, visit vioc.com.

Forward-Looking Statements

Certain statements herein, 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 acquisition of Breeze Autocare, including its Oil Changers stores, and the integration of the Breeze Autocare business and the anticipated benefits and synergies of the acquisition; executing on the growth strategy to create shareholder value by driving the full potential in Valvoline's core business, delivering sustainable network growth and innovating to meet the changing needs of customers and the car parc; realizing the benefits from acquisitions and refranchising transactions; and future opportunities for the stand-alone retail business; and any other statements regarding Valvoline's future operations, financial or operating results, capital allocation, debt leverage ratio, anticipated business levels, dividend policy, anticipated growth, market opportunities, strategies, competition, 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. Additional information regarding these risks and uncertainties are described in Valvoline'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://www.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.

TM Trademark, Valvoline Inc., or its subsidiaries, registered in various countries

SM Service mark, Valvoline Inc., or its subsidiaries, registered in various countries

FURTHER INFORMATION

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Valvoline Inc. and Consolidated Subsidiaries

Table 1

Statements of Consolidated Income

(In millions, except per share amounts - preliminary and unaudited)

	Three months ended March 31		Six months ended March 31	
	2026	2025	2026	2025
Net revenues	\$ 503.8	\$ 403.2	\$ 965.6	\$ 817.5
Cost of sales	316.8	252.7	606.1	514.1
Gross profit	187.0	150.5	359.5	303.4
Selling, general and administrative expenses	98.7	83.6	205.5	164.0
Net legacy and separation-related expenses	0.9	0.8	6.1	1.2
Other loss (income), net	1.4	(0.8)	43.6	(72.5)
Operating income	86.0	66.9	104.3	210.7
Net pension and other postretirement plan income	(1.2)	(0.9)	(2.4)	(1.8)
Net interest and other financing expenses	27.7	16.9	53.2	34.4
Income before income taxes	59.5	50.9	53.5	178.1
Income tax expense	14.2	12.6	40.4	45.9
Income from continuing operations	45.3	38.3	13.1	132.2
Loss from discontinued operations, net of tax	(0.5)	(0.7)	(1.1)	(3.0)
Net income	\$ 44.8	\$ 37.6	\$ 12.0	\$ 129.2
Net earnings per share				
Basic earnings (loss) per share				
Continuing operations	\$ 0.35	\$ 0.30	\$ 0.10	\$ 1.03
Discontinued operations	—	(0.01)	(0.01)	(0.02)
Basic earnings per share	\$ 0.35	\$ 0.29	\$ 0.09	\$ 1.01
Diluted earnings (loss) per share				
Continuing operations	\$ 0.35	\$ 0.30	\$ 0.10	\$ 1.02
Discontinued operations	—	(0.01)	(0.01)	(0.02)
Diluted earnings per share	\$ 0.35	\$ 0.29	\$ 0.09	\$ 1.00
Weighted average common shares outstanding				
Basic	127.8	127.6	127.7	128.2
Diluted	128.4	128.2	128.3	128.9

Valvoline Inc. and Consolidated Subsidiaries
Condensed Consolidated Balance Sheets
(In millions - preliminary and unaudited)

Table 2

	March 31 2026	September 30 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 84.7	\$ 51.6
Receivables, net	92.6	89.6
Inventories, net	47.6	42.6
Prepaid expenses and other current assets	47.4	59.9
Total current assets	272.3	243.7
Noncurrent assets		
Property, plant and equipment, net	1,246.4	1,134.6
Operating lease assets	395.3	331.8
Goodwill and intangibles, net	1,280.2	740.5
Other noncurrent assets	226.9	219.8
Total assets	\$ 3,421.1	\$ 2,670.4
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 31.2	\$ 23.8
Trade and other payables	112.7	118.9
Accrued expenses and other liabilities	227.4	204.7
Total current liabilities	371.3	347.4
Noncurrent liabilities		
Long-term debt	1,626.5	1,050.2
Employee benefit obligations	180.0	187.5
Operating lease liabilities	371.0	315.3
Other noncurrent liabilities	519.2	431.5
Total noncurrent liabilities	2,696.7	1,984.5
Stockholders' equity	353.1	338.5
Total liabilities and stockholders' equity	\$ 3,421.1	\$ 2,670.4

Valvoline Inc. and Consolidated Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In millions - preliminary and unaudited)

Table 3

	Six months ended	
	March 31	
	2026	2025
Cash flows from operating activities		
Net income	\$ 12.0	\$ 129.2
Adjustments to reconcile net income to cash flows from operating activities:		
Loss from discontinued operations	1.1	3.0
Loss (gain) on sale of operations	43.6	(71.7)
Depreciation and amortization	71.1	56.4
Deferred income taxes	0.1	—
Stock-based compensation expense	5.9	4.6
Other, net	4.0	1.0
Change in operating assets and liabilities	22.4	(29.3)
Operating cash flows from continuing operations	160.2	93.2
Operating cash flows from discontinued operations	—	(4.8)
Total cash provided by operating activities	160.2	88.4
Cash flows from investing activities		
Additions to property, plant and equipment	(115.2)	(105.4)
Acquisitions, net of cash acquired	(644.1)	(9.6)
Proceeds from sale of operations	63.6	121.0
Purchases of investments	(4.5)	(4.5)
Proceeds from investments	—	6.0
Other investing activities, net	0.8	2.8
Total cash (used in) provided by investing activities	(699.4)	10.3
Cash flows from financing activities		
Proceeds from borrowings	755.0	75.0
Payments of debt issuance costs and discounts	(13.7)	(1.6)
Repayments on borrowings	(158.7)	(91.9)
Repurchases of common stock, including excise taxes of \$16.4 in 2025	—	(76.8)
Other financing activities, net	(10.3)	(9.1)
Total cash provided by (used in) financing activities	572.3	(104.4)
Effect of currency exchange rate changes on cash, cash equivalents and restricted cash	—	(0.7)
Increase (decrease) in cash, cash equivalents and restricted cash	33.1	(6.4)
Cash, cash equivalents and restricted cash - beginning of period	51.6	68.7
Cash, cash equivalents and restricted cash - end of period	\$ 84.7	\$ 62.3

Valvoline Inc. and Consolidated Subsidiaries
Retail Stores Operating Information
(Preliminary and unaudited)

Table 4

	Three months ended March 31		Six months ended March 31		
	2026	2025	2026	2025	
Sales information					
Store sales - in millions					
Company-operated	\$ 450.7	\$ 352.7	\$ 859.0	\$ 718.0	
Franchised ^(a)	535.9	472.8	1,051.2	927.8	
System-wide store sales ^(a)	\$986.6	\$825.5	\$1,910.2	\$1,645.8	
<i>Year-over-year growth ^(a)</i>	19.5 %	10.6 %	16.1 %	12.0 %	
System-wide same-store sales growth ^{(a)(b)}	8.2 %	5.8 %	7.0 %	6.9 %	
Number of stores at end of period					
	Second Quarter 2026	First Quarter 2026	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025
Company-operated	1,210	1,196	1,016	983	950
Franchised ^(a)	1,199	1,184	1,164	1,141	1,128
As of March 31					
	2026	2025			
System-wide store count ^(a)	2,409	2,078			
<i>Year-over-year growth ^(a)</i>	15.9 %	7.8 %			

(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 the year-over-year change in net revenues of U.S. VIOC system-wide same stores with same stores defined as those that have been in operation within the system for at least 12 full months, and beginning in fiscal 2026, mobile service net revenues in markets that leverage store marketing channels.

Valvoline Inc. and Consolidated Subsidiaries
System-wide Retail Stores
(Preliminary and unaudited)

Table 5

	Company-operated				
	Second Quarter 2026	First Quarter 2026	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025
Beginning of period	1,196	1,016	983	950	932
Opened	8	26	26	19	12
Acquired	3	210	8	8	6
Divested ^(a)	—	(45)	—	—	—
Net conversions between company-operated and franchised	4	(10)	—	6	—
Closed	(1)	(1)	(1)	—	—
End of period	1,210	1,196	1,016	983	950

	Franchised ^(b)				
	Second Quarter 2026	First Quarter 2026	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025
Beginning of period	1,184	1,164	1,141	1,128	1,113
Opened	20	13	24	19	17
Acquired ^(c)	—	—	—	—	—
Net conversions between company-operated and franchised	(4)	10	—	(6)	—
Closed	(1)	(3)	(1)	—	(2)
End of period	1,199	1,184	1,164	1,141	1,128
Total system-wide stores ^(b)	2,409	2,380	2,180	2,124	2,078

(a) Divested stores represent those acquired in connection with the Breeze Autocare acquisition and immediately divested as required by the Federal Trade Commission.

(b) Measures include Valvoline franchisees, which are independent legal entities. Valvoline does not consolidate the results of operations of its franchisees.

(c) Represents the acquisition of franchise stores that are new to the Valvoline retail store system by Valvoline Inc.

Valvoline Inc. and Consolidated Subsidiaries

Table 6

Non-GAAP Reconciliation - Income from Continuing Operations and Diluted Earnings per Share

(In millions, except per share amounts - preliminary and unaudited)

	Three months ended March 31		Six months ended March 31	
	2026	2025	2026	2025
Reported income from continuing operations	\$ 45.3	\$ 38.3	\$ 13.1	\$ 132.2
<i>Adjustments:</i>				
Net pension and other postretirement plan income	(1.2)	(0.9)	(2.4)	(1.8)
Net legacy and separation-related expenses	0.9	0.8	6.1	1.2
Information technology transition costs	2.7	4.9	5.8	6.4
Investment and divestiture-related costs (income) ^(a)	7.3	3.4	69.5	(67.5)
Total adjustments, pre-tax	9.7	8.2	79.0	(61.7)
Income tax (benefit) expense of adjustments	(1.9)	(2.3)	4.1	15.6
Income tax adjustments ^(b)	(1.1)	—	3.4	—
Total adjustments, after tax	6.7	5.9	86.5	(46.1)
Adjusted income from continuing operations ^{(c) (d)}	\$52.0	\$44.2	\$99.6	\$86.1
Reported diluted earnings per share from continuing operations	\$ 0.35	\$ 0.30	\$ 0.10	\$1.02
Adjusted diluted earnings per share from continuing operations ^{(d) (e)}	\$ 0.41	\$ 0.34	\$ 0.78	\$0.67
Weighted average diluted common shares outstanding	128.4	128.2	128.3	128.9

(a) Includes certain pre-tax key item activity within amortization and net interest and other financing expenses that do not impact EBITDA but impact pre-tax adjusted earnings.

(b) Income tax adjustments include the effects associated with investment and divestiture-related activity, which is further described in the Appendix.

(c) Adjusted income from continuing operations is defined as income from continuing operations adjusted for the effects of key items.

(d) Represents a non-GAAP measure. Refer to "Use of Non-GAAP Measures" and the Appendix for additional details.

(e) Adjusted diluted earnings per share from continuing operations is defined as diluted earnings per share calculated using adjusted income from continuing operations.

Valvoline Inc. and Consolidated Subsidiaries

Table 7

Non-GAAP Reconciliation - Net Revenues and EBITDA from Continuing Operations

(In millions - preliminary and unaudited)

	Three months ended March 31		Six months ended March 31	
	2026	2025	2026	2025
Reported net revenues ^(a)	\$ 503.8	\$ 403.2	\$ 965.6	\$ 817.5
Income from continuing operations	\$ 45.3	\$ 38.3	\$ 13.1	\$ 132.2
Add:				
Income tax expense	14.2	12.6	40.4	45.9
Net interest and other financing expenses	27.7	16.9	53.2	34.4
Depreciation and amortization	37.6	28.4	71.1	56.4
EBITDA from continuing operations ^{(b) (c)}	124.8	96.2	177.8	268.9
Key items:				
Net pension and other postretirement plan income	(1.2)	(0.9)	(2.4)	(1.8)
Net legacy and separation-related expenses	0.9	0.8	6.1	1.2
Information technology transition costs	2.7	4.9	5.8	6.4
Investment and divestiture-related costs (income) ^(d)	6.4	3.4	63.7	(67.5)
Key items - subtotal	8.8	8.2	73.2	(61.7)
Adjusted EBITDA from continuing operations ^{(b) (c)}	\$ 133.6	\$ 104.4	\$ 251.0	\$ 207.2
Net profit margin ^(e)	9.0 %	9.5 %	1.4 %	16.2 %
Adjusted EBITDA margin ^{(b) (f)}	26.5 %	25.9 %	26.0 %	25.3 %

(a) Net revenues do not have any key item adjustments in the periods presented herein; therefore, GAAP net revenues and Adjusted net revenues are the same.

(b) Represents a non-GAAP measure. Refer to "Use of Non-GAAP Measures" and the Appendix for additional details.

(c) EBITDA from continuing operations is defined as income from continuing operations, plus income tax 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.

(d) Includes certain pre-tax key item activity within amortization and net interest and other financing expenses that do not impact Adjusted EBITDA but impact pre-tax adjusted earnings.

(e) Net profit margin is defined as reported income from continuing operations divided by reported net revenues.

(f) Adjusted EBITDA margin is defined as Adjusted EBITDA from continuing operations divided by adjusted net revenues.

Valvoline Inc. and Consolidated Subsidiaries
Non-GAAP Reconciliation - Free Cash Flows from Continuing Operations
(In millions - preliminary and unaudited)

Table 8

	Six months ended March 31	
	2026	2025
Free cash flow ^(a)		
Operating cash flows from continuing operations	\$ 160.2	\$ 93.2
<i>Adjustments:</i>		
Additions to property, plant and equipment	(115.2)	(105.4)
Free cash flow from continuing operations ^(b)	<u>\$45.0</u>	<u>(\$12.2)</u>

	Six months ended March 31	
	2026	2025
Free cash flow excluding growth capital expenditures ^(c)		
Operating cash flows from continuing operations	\$ 160.2	\$ 93.2
<i>Adjustments:</i>		
Maintenance additions to property, plant and equipment	(27.4)	(15.6)
Free cash flow excluding growth capital expenditures ^(b)	<u>\$132.8</u>	<u>\$77.6</u>

(a) Free cash flow is defined as operating cash flows less additions to property, plant and equipment.

(b) Represents a non-GAAP measure. Refer to "Use of Non-GAAP Measures" and the Appendix for additional details.

(c) Free cash flow excluding growth capital expenditures is defined as operating cash flows less maintenance additions to property, plant and equipment.

Valvoline Inc. and Consolidated Subsidiaries

Appendix - Description of Non-GAAP Measures and Adjustments

EBITDA measures

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, as well as income tax and interest costs related to Valvoline's tax and capital structures, respectively.

Free cash flow measures

Management uses free cash flow and free cash flow excluding growth capital expenditures as additional non-GAAP metrics of cash flow generation. By including capital expenditures, 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. Free cash flow excluding growth capital expenditures includes maintenance capital expenditures, which are uses of cash that are necessary to maintain the Company's existing business operations, including its retail service center store network, service portfolio, and support functions. Free cash flow excluding growth capital expenditures provides a supplemental view of cash flow generation before investments in growth capital, which expand future business operations, including the opening or expansion of retail service center stores and service capabilities. Free cash flow and free cash flow excluding growth capital expenditures have certain limitations, including that they do not reflect adjustments for certain non-discretionary cash expenditures, such as mandatory debt repayments.

Adjusted profitability measures

Adjusted profitability measures (i.e., adjusted net income, diluted earnings per share and EBITDA) enable the comparison of financial trends and results between periods where certain items may not be reflective of the Company's underlying and ongoing operational performance or vary independent of business performance.

Key items

The non-GAAP measures used by management 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, the sale of the former Global Products reportable segment, and the associated impacts of related activity and indemnities; non-service pension and other postretirement plan activity; restructuring-related matters, including organizational restructuring plans, significant acquisitions or divestitures, debt extinguishment and modification, and tax reform legislation; in addition to other matters that management considers non-operational, infrequent or unusual in nature.

Refer to the following for descriptions of the key items that comprise the adjustments which depart from the computations in accordance with U.S. GAAP:

Net pension and other postretirement plan income: Includes several elements impacted by changes in plan assets and obligations that are primarily driven by the debt and equity markets, including remeasurement gains and losses, when applicable; and recurring non-service pension and other postretirement net periodic activity, which consists of interest cost, expected return on plan assets and amortization of prior service credits. Management considers these elements are more reflective of changes in current conditions in global markets (in particular, interest rates), outside the operational performance of the business, and are also legacy amounts that are not directly related to the underlying business and do not have an impact on the compensation and benefits provided to eligible employees for current service.

Net legacy and separation-related expenses: Activity associated with legacy businesses, including the separation from Valvoline's former parent company and its former Global Products reportable segment. This activity includes the recognition of and adjustments to indemnity obligations to its former parent company; certain legal, financial, professional advisory and consulting fees; and other expenses incurred by the continuing operations in connection with and directly related to these separation transactions and legacy matters. This incremental activity directly attributable to legacy matters and separation transactions is not considered reflective of the underlying operating performance of the Company's continuing operations.

Information technology transition costs: Consists of expenses incurred directly related to the Company's information technology transitions, primarily efforts related to implementing stand-alone enterprise resource planning and human resource information systems that generally began in fiscal 2023 following the sale of the former Global Products reportable segment. These expenses include data conversion, training, redundant expenses incurred from duplicative technology platforms, and temporary support, which includes consulting fees and professional services to support certain enhanced manual procedures and material weakness remediation efforts. These incremental costs are directly associated with technology transitions and are not considered to be reflective of the ongoing expenses of operating the Company's technology platforms.

Investment and divestiture-related costs (income): Consists of activity directly associated with specific significant acquisitions, investments and divestitures, including professional and consulting fees for legal and advisory services, in addition to gains or losses recognized upon disposition, temporary financing costs directly associated with transactions, certain acquisition-related incentive compensation costs, amortization of Breeze acquired intangible assets, and expense recognized to reduce the carrying values of related assets determined to be impaired. This activity is not considered to be reflective of the underlying operating performance of the Company's ongoing continuing operations.