

## *Great Canadian Oil Change*

On July 13, 2018, Valvoline acquired the business assets of 73 franchise service center stores from Great Canadian Oil Change Ltd. for \$53 million. This acquisition expands Valvoline's Quick Lubes footprint outside of the United States and increases the Quick Lubes system to more than 1,200 company-owned and franchised locations in North America. Of the \$53 million, approximately \$16 million was allocated to goodwill with \$27 million allocated to trade names, \$9 million to customer relationships, and the remainder allocated to working capital. The finite-lived intangible assets are being amortized on a straight-line basis over 20 years and 15 years for trade names and customer relationships, respectively.

### ***Fiscal 2017 acquisitions***

#### *Time-It Lube*

On January 31, 2017, Valvoline acquired the business assets of 28 service center stores from Time-It Lube LLC and Time-It Lube of Texas, LP (collectively, "Time-It Lube") for \$49 million, of which approximately \$45 million was allocated to goodwill, and the remainder was allocated to working capital, trade names and customer relationships. This acquisition expanded the presence of Quick Lubes into east Texas and marked its entry into Louisiana.

### ***Fiscal 2016 acquisitions***

#### *Oil Can Henry's*

On February 1, 2016, the business assets of 42 franchise service center stores and 47 service center stores were acquired from OCH International, Inc. ("Oil Can Henry's") for \$62 million. This acquisition complemented the existing Quick Lubes service center store base and expanded its profile within several northwest U.S. markets. Of the \$62 million purchase price, \$82 million was allocated to goodwill, \$11 million to the assumption of debt, and the remainder was allocated to net working capital, property, plant and equipment, trade names, and other noncurrent assets and liabilities.

### **Remaining ownership interest in subsidiary**

Valvoline historically owned a 70% controlling interest and consolidated the financial results of its subsidiary in Thailand. In December 2017, Valvoline purchased the remaining 30% interest for total consideration of approximately \$16 million, making it a wholly-owned subsidiary of the Company. This interest was not material to the current or prior period financial statements for presentation and disclosure as a noncontrolling interest, which was eliminated as a result of this purchase through an adjustment to *Paid-in capital* and *Retained deficit*.

### **Dispositions**

During fiscal 2018, Valvoline completed the liquidation of its Brazilian subsidiary within the International reportable segment and sold two service center stores to a franchisee within the Quick Lubes reportable segment. These transactions resulted in a net gain of \$2 million, which was recognized in *Equity and other income, net* in the Consolidated Statements of Comprehensive Income during the year ended September 30, 2018.

### **NOTE 5 – EQUITY METHOD INVESTMENTS**

Valvoline has a strategic relationship with Cummins, Inc. ("Cummins"), a leading supplier of engines and related component products, which includes co-branding products for heavy duty consumers and a 50% interest in joint ventures in India, China, and Argentina. Valvoline also has joint ventures with other partners in Latin America. Valvoline's investments in these unconsolidated affiliates were \$31 million and \$30 million as of September 30, 2018 and 2017, respectively.