

Spring 2023

Automotive Service Quarterly



Transaction Note: Valvoline Global Products Spinoff

Transaction & Company Overview

- Valvoline Global Products (“Valvoline GP”) is a leading automotive lubricants and chemicals provider supplying motor oils, antifreeze & coolant, transmission fluid, grease & gear oil, and other automotive chemicals
 - Valvoline GP operated within Valvoline Inc. (NYSE: VVV), prior to the completion of the transaction (see below)
- On August 1, 2022 Valvoline Inc. announced an agreement to sell its Global Products business to Saudi Aramco, for \$2.65B in cash
- Now that this transaction is complete, Valvoline operates solely as a retail service platform with ~1,700 quick lube locations
- Valvoline sought the separation to focus on the faster growing and higher margin services business and is using the proceeds from the sale to return capital to shareholders, primarily in the form of stock buybacks

Transaction Stats

(Closed March 1, 2023)

~\$2.65B

Implied TEV (in USD)
of the Acquisition

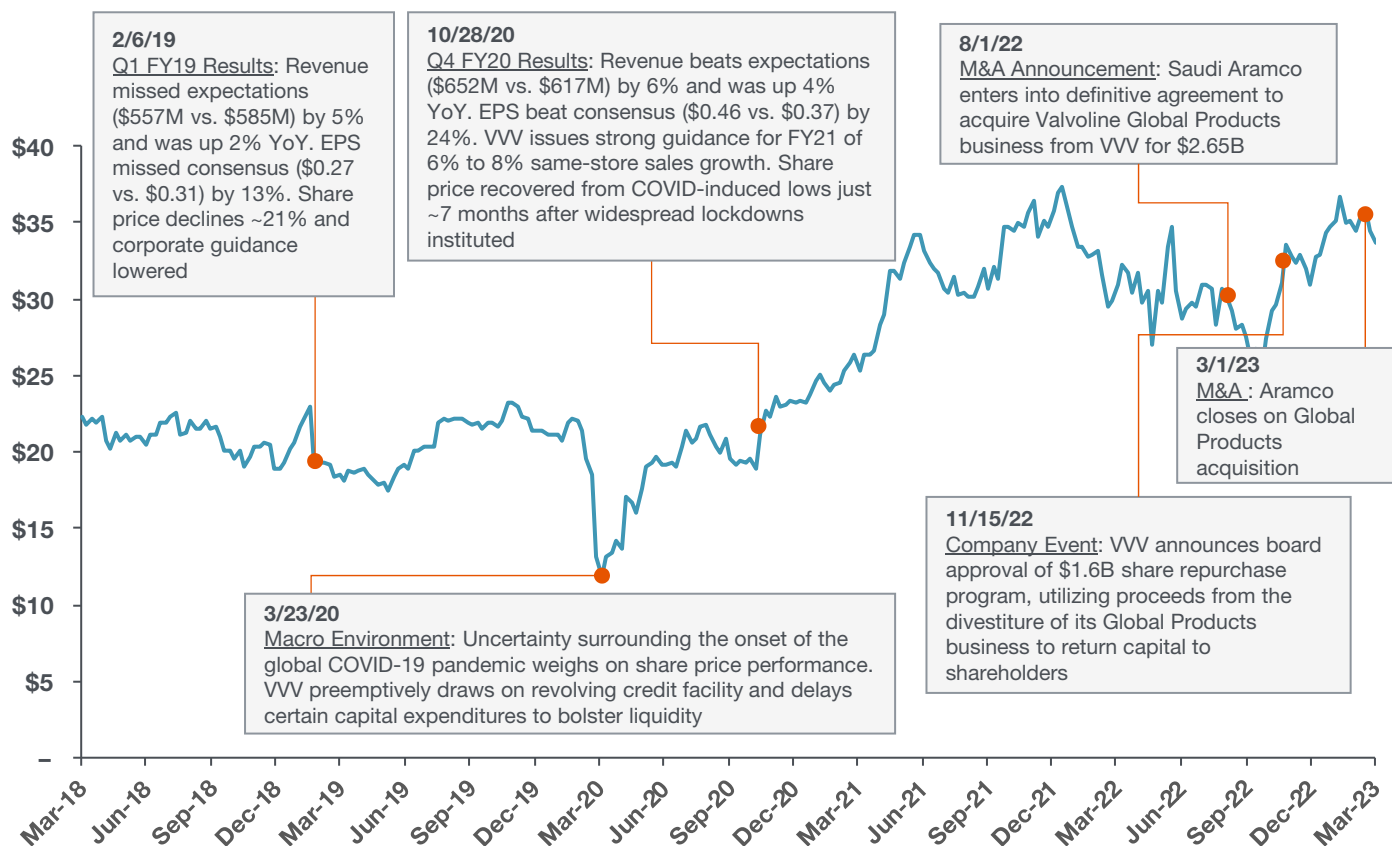
~9x

Implied TEV / LTM EBITDA
of the Transaction¹

~44%

Global Products EBITDA
Contribution to Consolidated
VVV Results

Historical Stock Price Performance



Source: Company filings, Capital IQ

1) TEV / TTM Jun-22 segment EBITDA. Assumes allocation of corporate costs in proportion to segment EBITDA contribution

Car Wash

Oil Change

Collision

Service

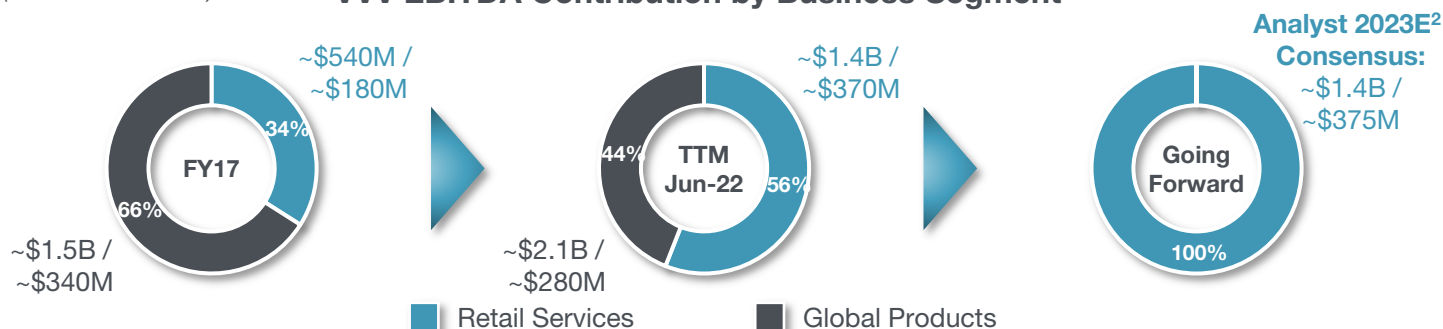
Tires

Transaction Note: Valvoline Global Products Spinoff (Cont'd)

Repositioning as a More Focused, Pure-Play Service Operator

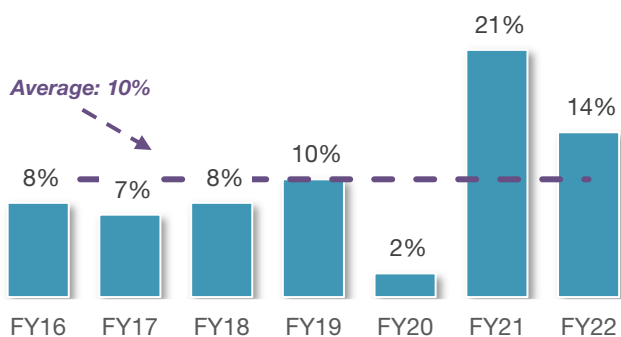
(Revenue / EBITDA)

VV EBITDA Contribution by Business Segment¹

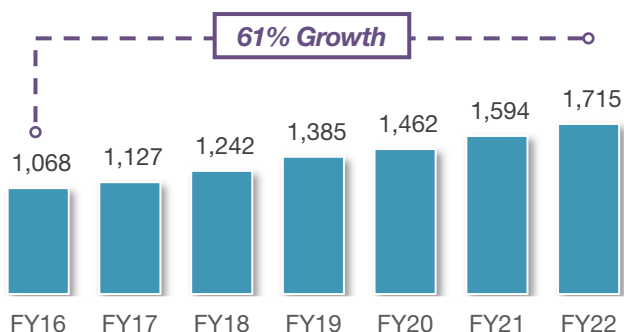


Leveraging a Leading Service Franchise to Unlock Shareholder Value

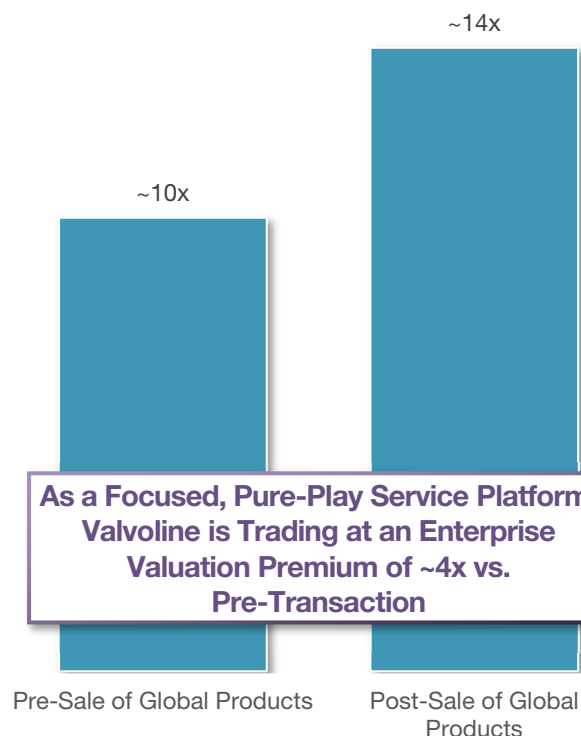
Historical Same-Store Sales Growth



System-Wide Store Count



TEV / 1 Year Forward EBITDA³



Valvoline Operates One of the Strongest Quick Lube Brands in the Marketplace – Growing Same-Store Sales an Average of 10% per Year and Consistently Adding New Units. The Company has Leveraged this Strength into a Premium Public Market Valuation Multiple by Making Retail Services its Sole Focus

Source: Company filings, Capital IQ

1) Assumes allocation of corporate costs in proportion to segment EBITDA contribution

2) Fiscal year ended September

3) Represents analyst consensus estimates

Transaction Note: Valvoline Global Products Spinoff (Cont'd)

Research Analyst Recommendations and Price Targets

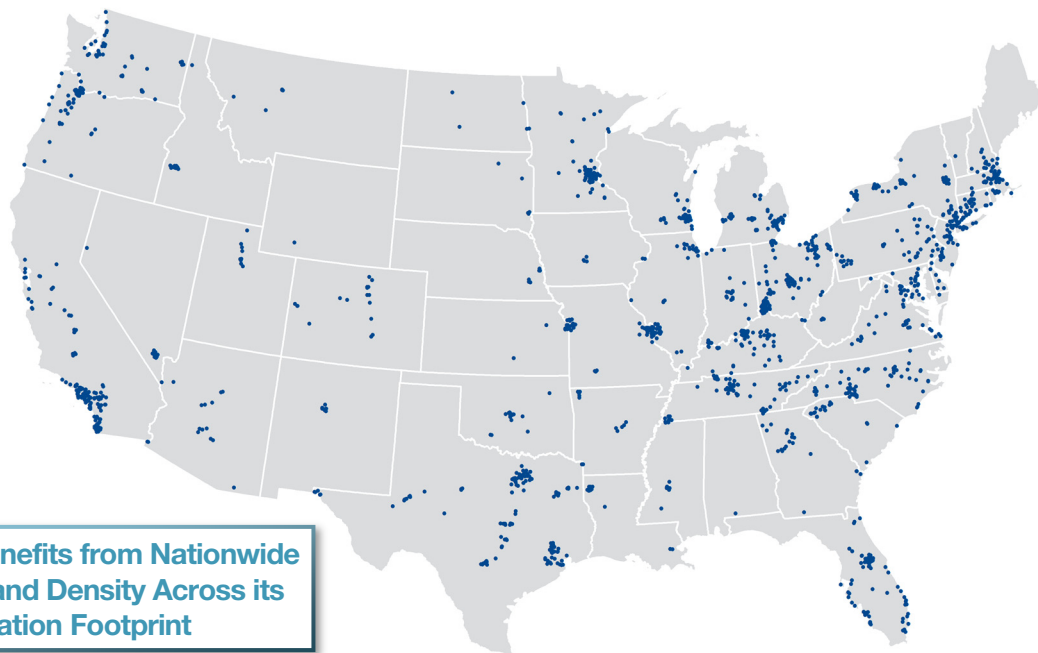
Broker	Date	Recc.	Price Target	TEV / EBITDA ¹	
				2023E	2024E
CFRA	03/25/2023	Hold	\$39.00	N/D	N/D
RBC Capital Markets	03/08/2023	Outperform	40.00	15.0x	12.8x
Jefferies	03/02/2023	Buy	42.00	14.8x	12.7x
PriceTarget Research	02/26/2023	Neutral	44.00	N/D	N/D
Citi Group	02/24/2023	Neutral	37.00	15.1x	7.9x
Argus Research	02/23/2023	Neutral	38.00	N/D	N/D
Morgan Stanley	02/14/2023	Neutral	35.00	14.4x	12.6x
J.P. Morgan	02/08/2023	Overweight	41.00	15.1x	12.5x
Seaport Research	02/07/2023	Buy	41.00	15.1x	12.8x
Median			\$40.00	15.0x	12.7x
Price Target % Upside to Current²			14.5%		

What the Street is Saying

“We believe VV [Valvoline] is poised to execute on its fast-paced unit growth targets and has meaningful catalysts for SSS [Same-store sales] growth & EBITDA margin expansion”
 – Steven Zaccone, Citi Group

“Valvoline’s operational focus is now on store expansion and increasing same-store sales...[and] intends to use ~\$1.6b... to buy back shares... effectively reducing its outstanding share base by 26%. Valvoline has benefitted from the shift to synthetic oils which carry higher margins and prices”
 – Jeffrey Zekhauskas, J.P. Morgan

Valvoline Map of Locations – Retail Services



Valvoline Benefits from Nationwide Coverage and Density Across its Location Footprint

Source: Company filings, equity research filings, Capital IQ

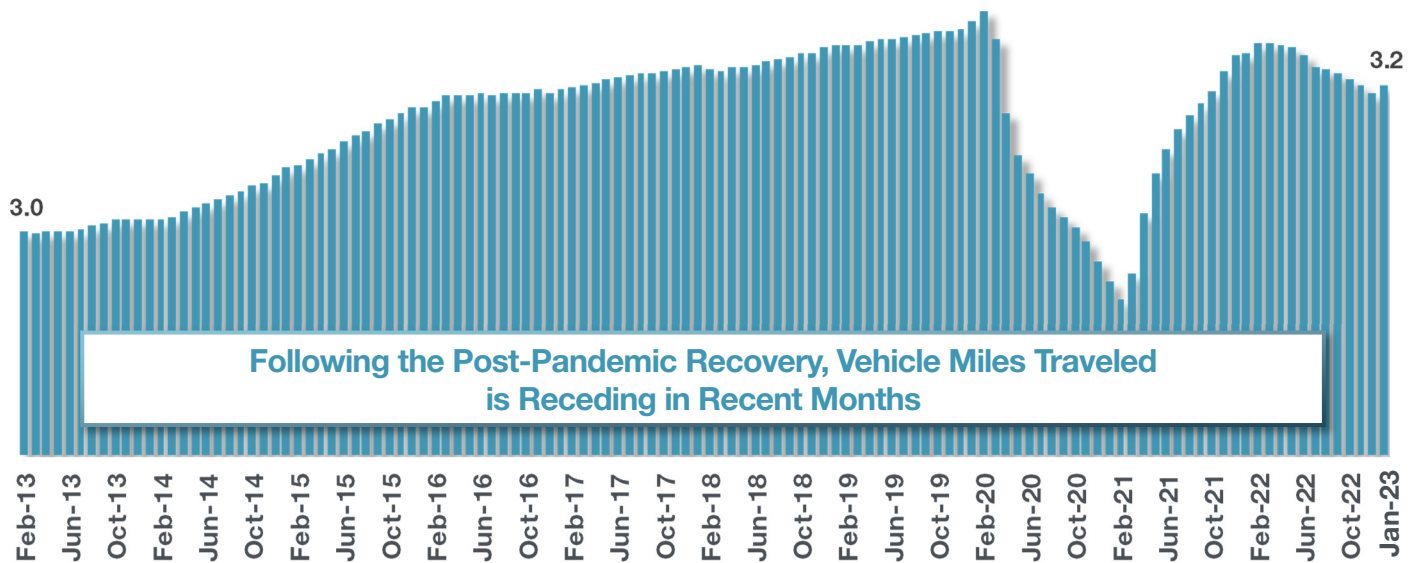
1) Fiscal year ended September

2) Represents upside based upon the current share price as of March 31, 2023 (\$34.94)

A Look at Industry Indicators

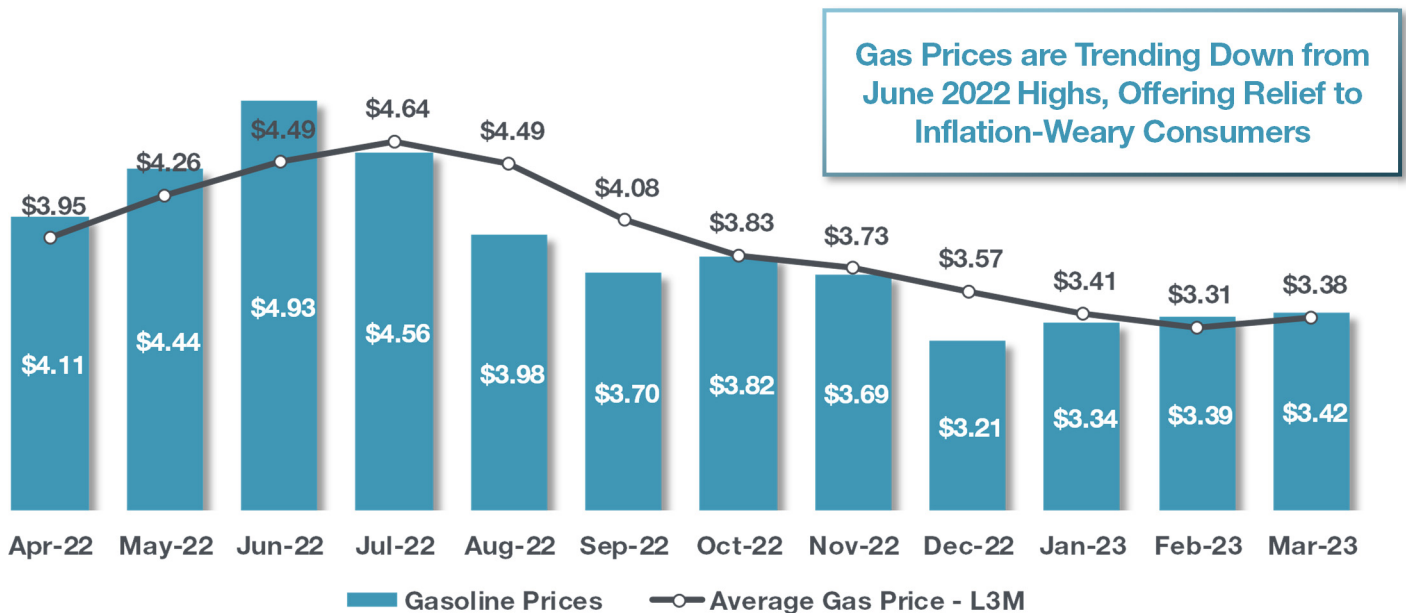
Nation-Wide Last Twelve Months (“LTM”) Vehicle Miles Traveled

(US Vehicle Miles Traveled – All Systems; in Trillions)



US Retail Gas Prices — Regular, All Formulations

(Price per Gallon, \$ in Actuals)

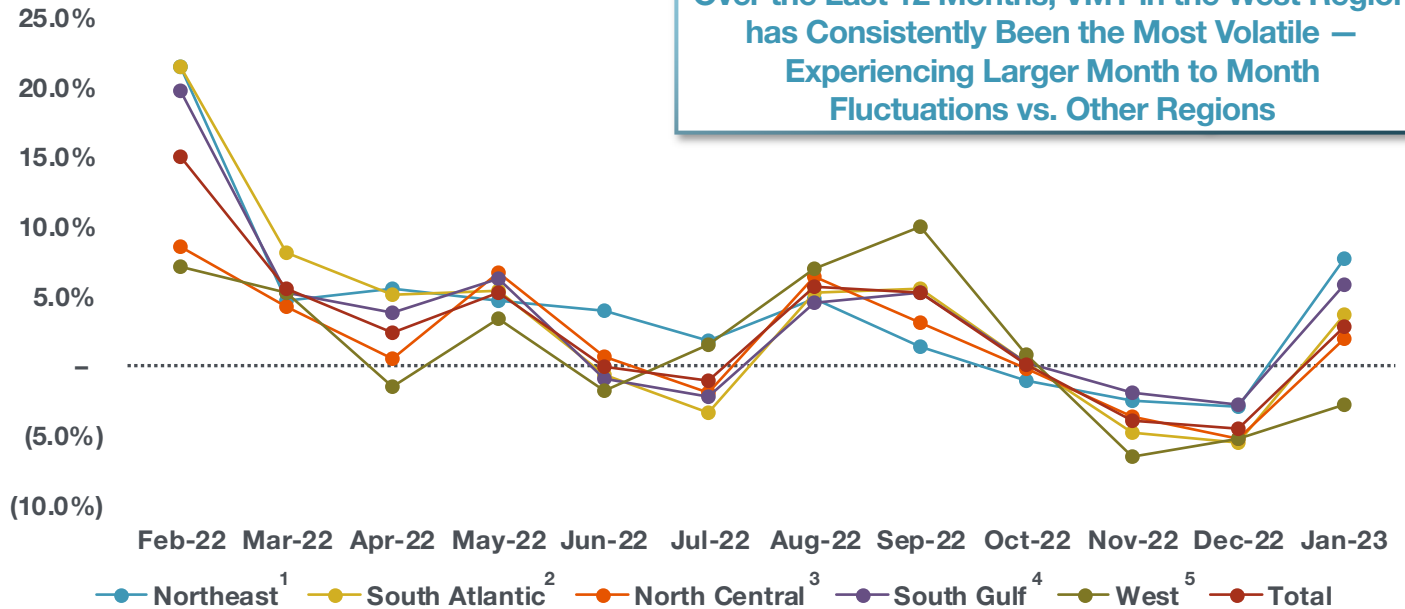


Source: US Department of Transportation, US Energy Information Administration

Understanding Vehicle Miles Traveled

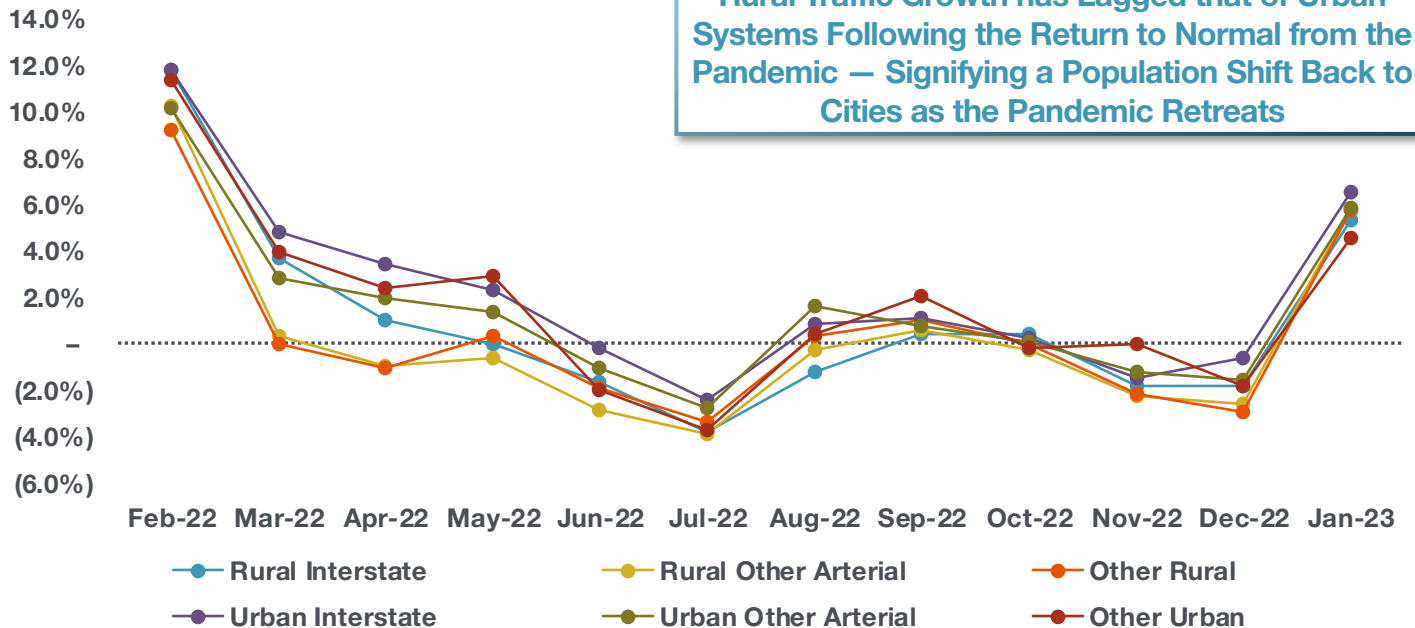
Regional Performance

(% YoY Change in Regional VMT)



By System

(% YoY Change in VMT by System)



Source: US Department of Transportation

1) Includes CT, ME, MA, NH, NJ, NY, PA, RI, VT
 2) Includes DE, Washington DC, FL, GA, MD, NC, SC, VA, WV
 3) Includes IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI
 4) Includes AL, AR, KY, LA, MS, OK, TN, TX
 5) Includes AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

Car Wash

Oil Change

Collision

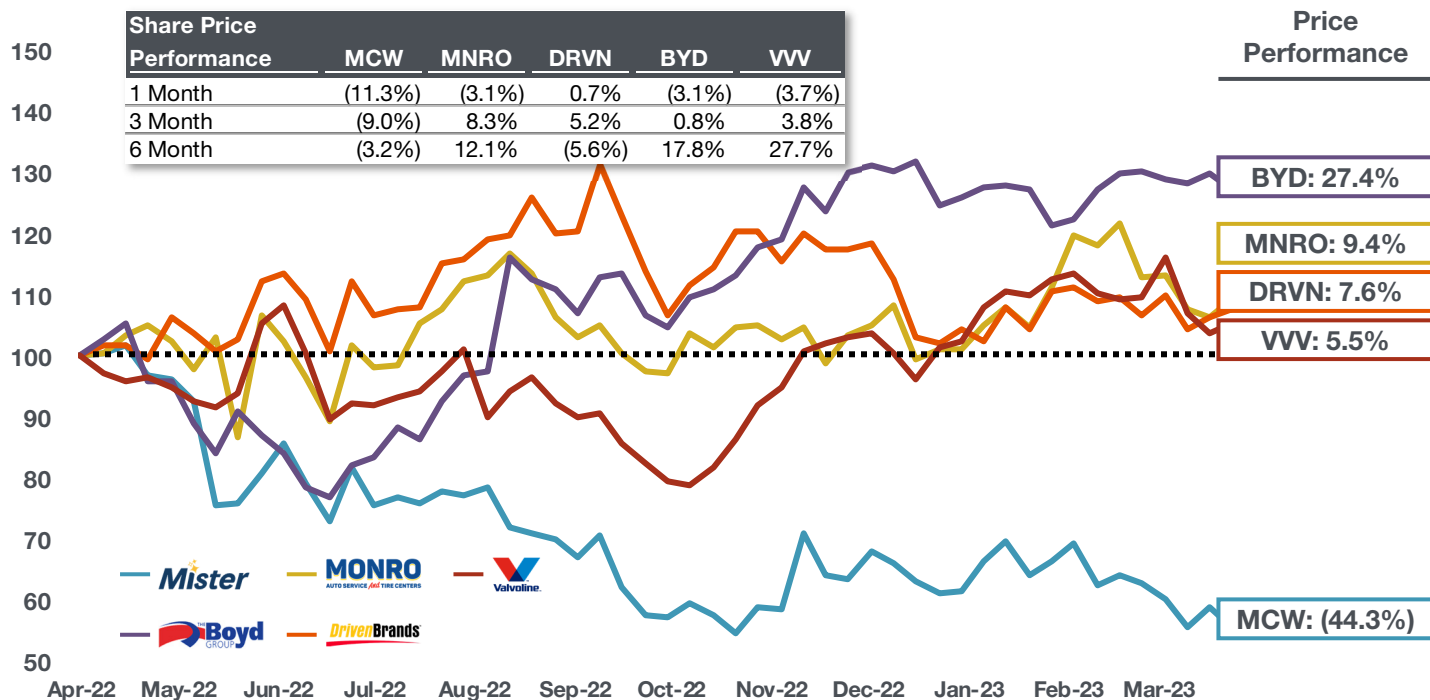
Service

Tires

Public Trading Information

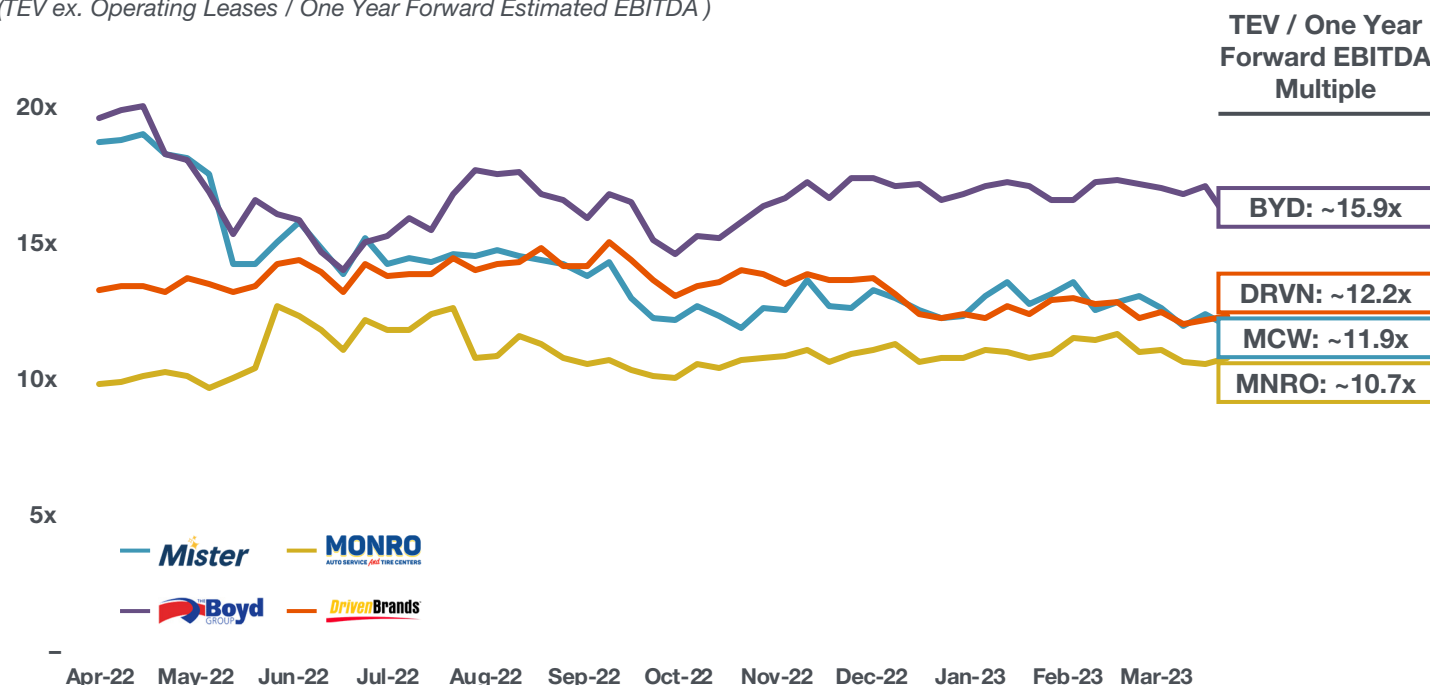
12 Month Share Price Performance Index

(Share Price Indexed to April 1, 2022 = 100)



12 Month TEV / One Year Forward EBITDA Multiple

(TEV ex. Operating Leases / One Year Forward Estimated EBITDA)



Source: Company filings, Capital IQ

Car Wash

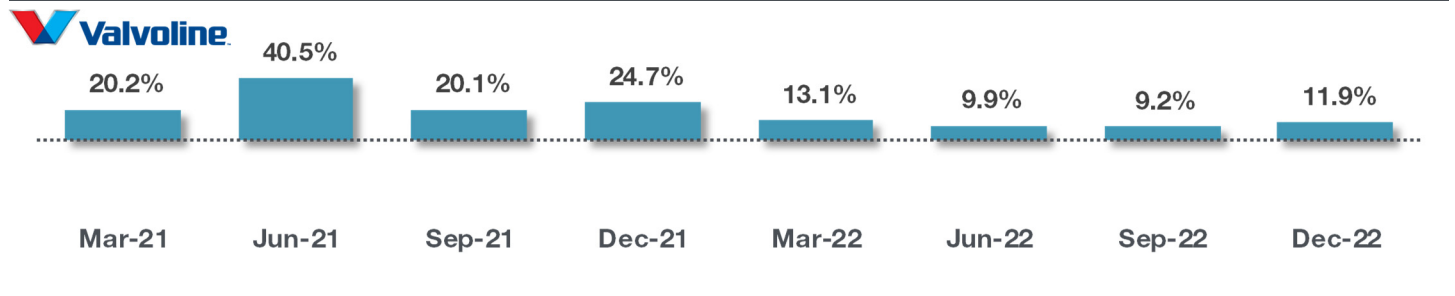
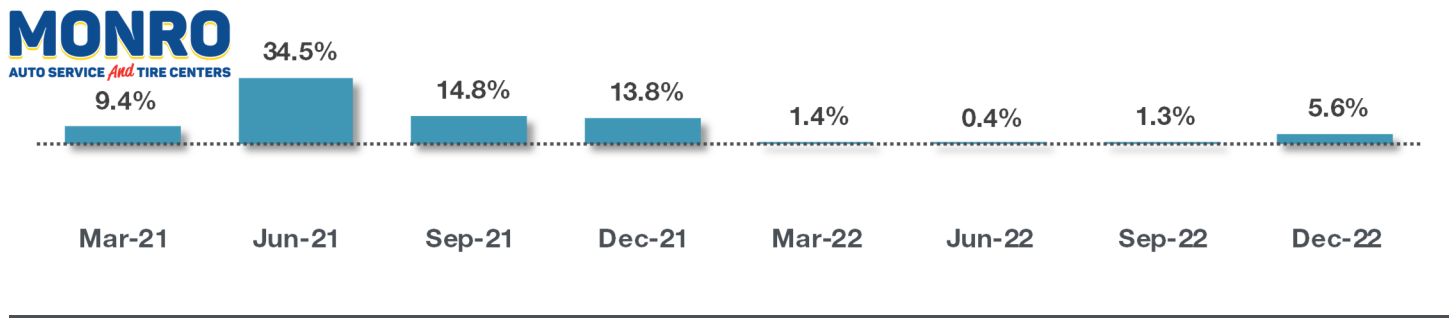
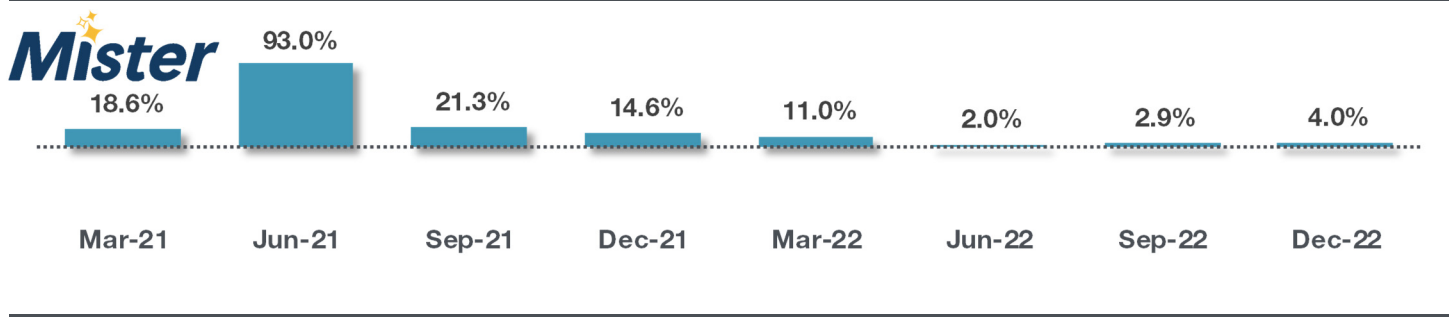
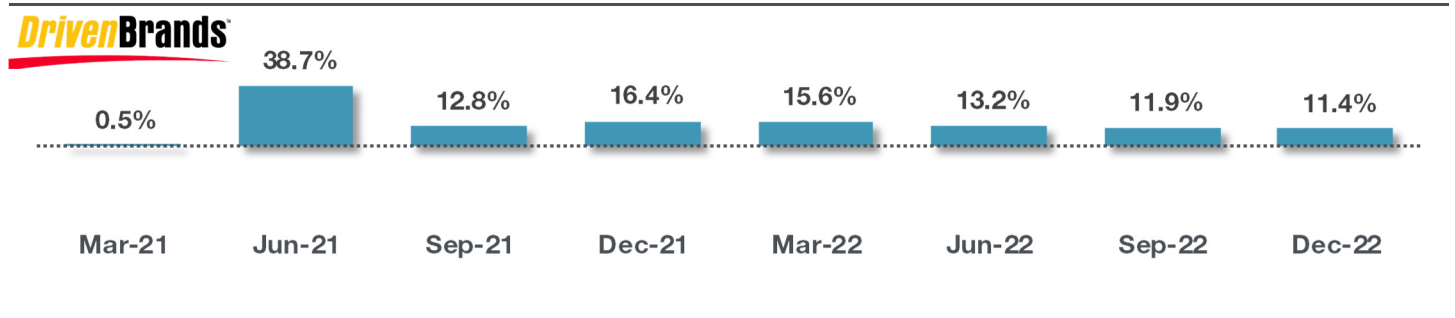
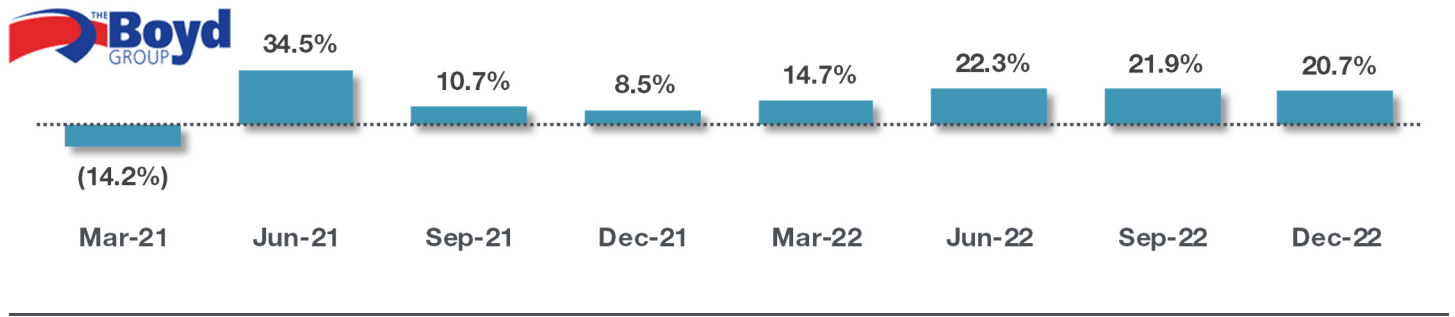
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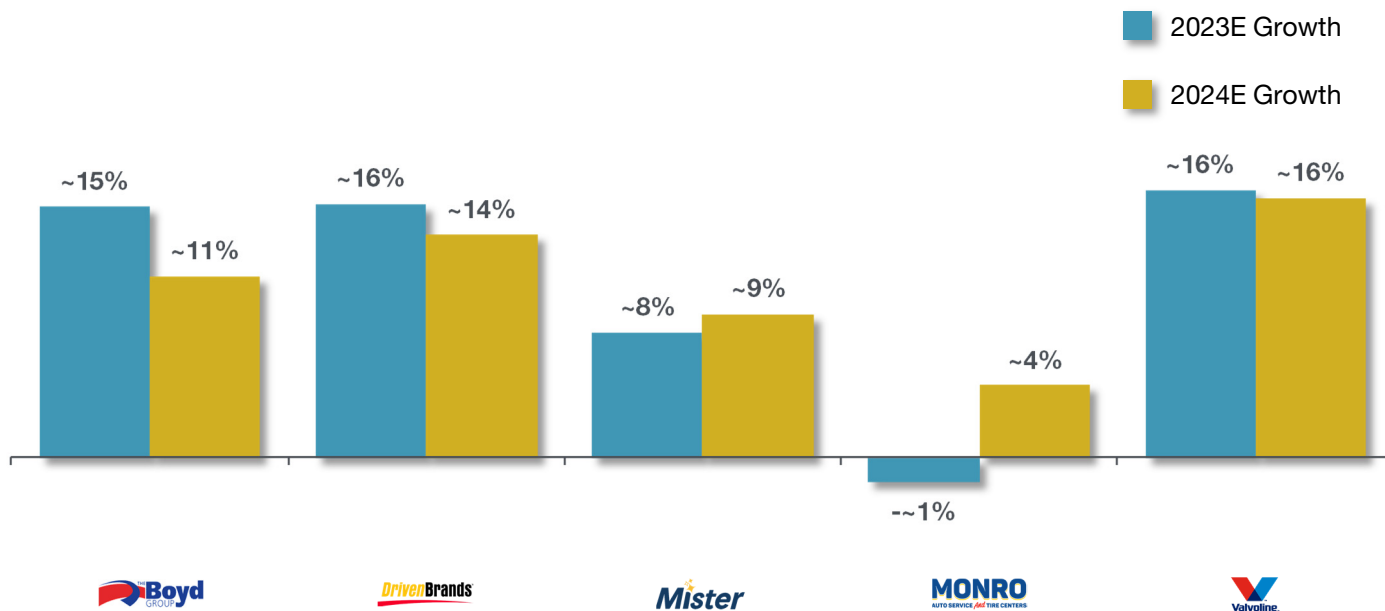
Quarterly Same Store Sales



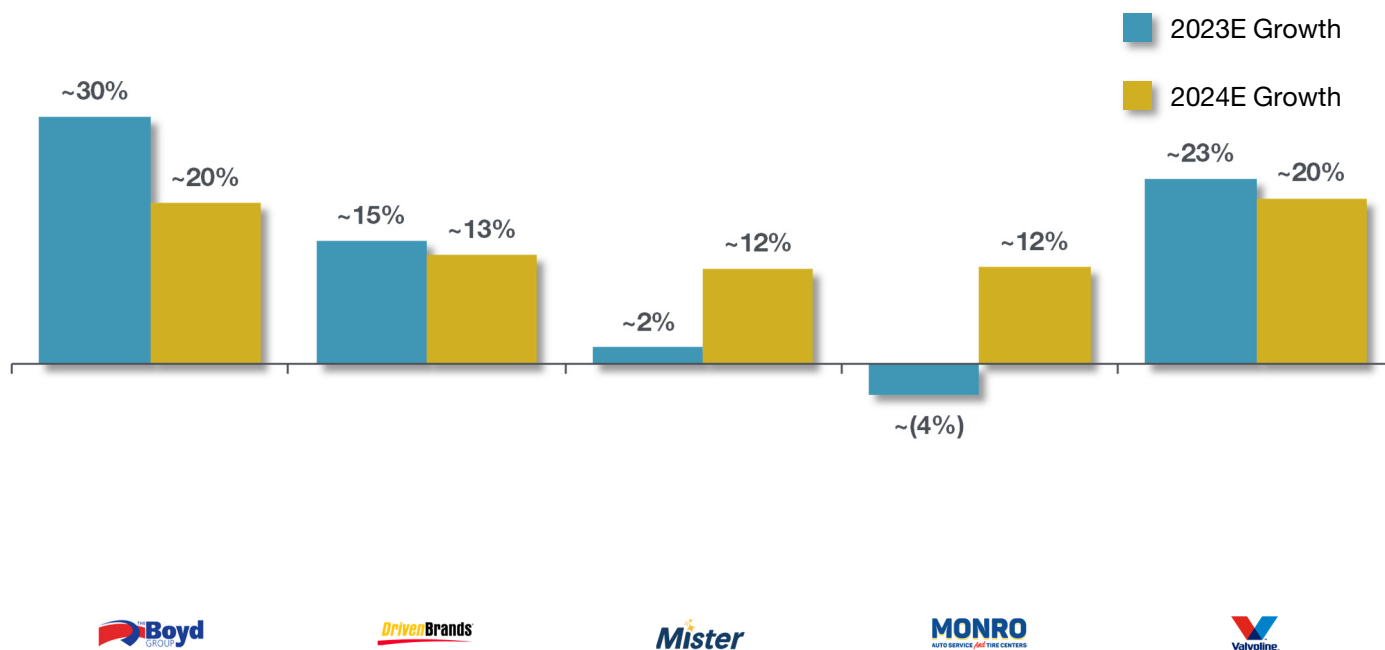
Source: Company filings

Growth Outlook

Revenue — Median Analyst Outlook



EBITDA — Median Analyst Outlook



Note: Calendar year except for Monro (fiscal year ended March)
 Source: Company Filings, equity research filings, Capital IQ

Car Wash

Oil Change

Collision

Service

Tires

Public Company Performance Metrics

Valuation Summary

(\$ in Millions, Except per Share Amounts)

Company	Price as of 03/31/2023	% of 52W High	Market Cap	TEV	TEV / EBITDA			P / E			Net Debt / LTM EBITDA
					LTM	2023E	2024E	LTM	2023E	2024E	
Boyd Group Services ¹	\$159.67	97.0%	\$3,429	\$3,774	21.3x	16.0x	13.0x	NM	37.7x	28.8x	1.9x
Driven Brands ²	\$30.31	85.5%	5,075	7,587	14.8x	12.8x	11.3x	37.7x	24.7x	20.5x	4.7x
Mister Car Wash ³	\$8.62	54.3%	2,649	3,495	12.9x	12.1x	11.0x	31.0x	26.0x	21.9x	3.1x
Monro ⁴	\$49.43	88.7%	1,552	2,017	11.8x	10.8x	NM	40.9x	27.4x	NM	2.7x
Valvoline ^{5, 6}	\$34.94	93.6%	NM	5,617	17.7x	14.4x	12.5x	NM	29.8x	22.0x	NM
Total Median	\$34.94	88.7%	\$3,039	\$3,774	14.8x	12.8x	11.9x	37.7x	27.4x	21.9x	2.9x

Operating Summary

(\$ in Millions, Except per Share Amounts)

Company	LTM ⁷				Margin			Historical Sales Growth		Historical EBITDA Growth	
	Revenue	Gross Profit	EBITDA	Net Income	Gross	EBITDA	Net Income	1 YR	3 YR	1 YR	3 YR
Boyd Group Services ¹	\$2,432	\$1,077	\$177	\$42	44.3%	7.3%	1.7%	29.9%	13.0%	33.1%	0.3%
Driven Brands ²	2,033	880	514	134	43.3%	25.3%	6.6%	38.6%	50.2%	38.7%	67.0%
Mister Car Wash ³	877	608	271	91	69.4%	31.0%	10.4%	15.6%	11.7%	6.2%	28.3%
Monro ⁴	1,343	457	171	40	34.0%	12.7%	3.0%	0.4%	2.2%	(13.3%)	(4.8%)
Valvoline ^{5, 6}	1,282	483	317	67	37.7%	24.7%	5.2%	6.8%	25.2%	NM	NM
Total Median	\$1,343	\$608	\$271	\$67	43.3%	24.7%	5.2%	15.6%	13.0%	19.7%	(2.2%)

Source: Company Filings

1) TSX: BYD

2) DRVN

3) MCW

4) MNRO

5) VVV

6) Metrics for VVV based on retail services business estimates

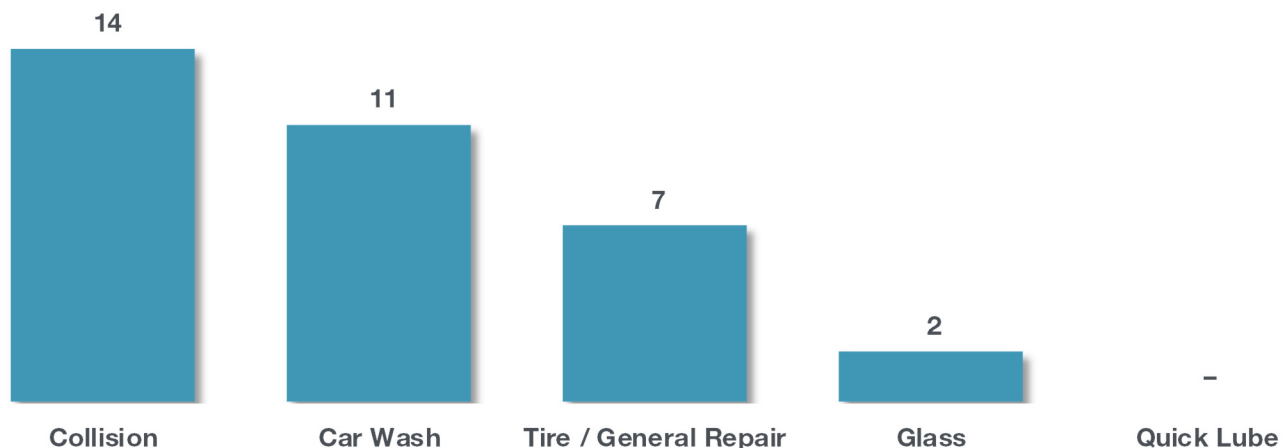
7) LTM period as of 3/31/2023

Select Automotive Service M&A Activity

Date	Vertical	State	Buyer	Target	Store Count
Mar-23	Collision	FL	Classic Collision	Irish Mike's Collision	1
Mar-23	Collision	CO	Classic Collision	BJ's Auto Theft & Collision	1
Mar-23	Collision	FL	Classic Collision	Auto Tech Collision Center	1
Mar-23	Car Wash	TX	WhiteWater Express	Bubble King Car Wash	1
Mar-23	Glass	MO	Safelite	Mark's Mobile Glass	5
Feb-23	Car Wash	VA	Flagstop Car Wash	Hogwash Express	1
Feb-23	Tire / General Repair	OH	Belle Tire	Tireman Auto Service Centers	18
Feb-23	Car Wash	NY	Splash Car Wash	Knockout Car Wash	1
Feb-23	Car Wash	MI	Performance Plus	Quick Lube	3
Feb-23	Tire / General Repair	CO	Leeds West Groups	Midas location in Parker, CO	1
Feb-23	Collision	MN	Classic Collision	Gale's Auto Body	1
Feb-23	Tire / General Repair	KY	Tire Discounters	Skip Cottrell's Tire Pros	1
Feb-23	Car Wash	CA	Quick Quack Car Wash	Scrub Bot Express Wash	1
Feb-23	Car Wash	FL	Zips Car Wash	Woodie's Wash Shack	10
Feb-23	Tire / General Repair	IL	Monro, Inc.	QC Auto Service and Muscatine Tire	5
Jan-23	Collision	GA / TN	Crash Champions	European Collision	4
Jan-23	Collision	CA	Crash Champions	Crocketts Premier Auto Body, Inc.	1
Jan-23	Tire / General Repair	IL	GreatWater 360 Auto Care	Tire Tracks USA	14
Jan-23	Car Wash	FL	El Car Wash	Bill's Car Wash / Florida Auto Wash	3
Jan-23	Collision	CA	Crash Champions	Stymeist Collision Centers	4
Jan-23	Collision	FL	Classic Collision	R&R CARSTAR Collision	1
Jan-23	Car Wash	CA	Go Car Wash	Moreno Valley Car Wash	1

YTD Deal Count – M&A Activity by Number of Transactions

(Transaction Count in Actuals)



Source: Company Filings

Piper Sandler's Vehicle Aftermarket Investment Banking Team



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Car Wash




















Oil Change

Collision

Service

Tires

Recent Piper Sandler Vehicle Aftermarket Transactions

 <p>Out-of-Court Restructuring</p> <p>January 2023</p>	 <p>has acquired</p>  <p>November 2022</p>	 <p>has been acquired by</p>  <p>November 2022</p>	 <p>has been acquired by</p>  <p>September 2022</p>
 <p>has been acquired by</p>  <p>April 2022</p>	 <p>has been acquired by</p>  <p>January 2022</p>	 <p>has acquired</p>  <p>August 2021</p>	 <p>Initial Public Offering</p> <p>June 2021</p>
 <p>Debt Refinancing</p> <p>June 2021</p>	 <p>Equity Capital Raise</p> <p>May 2021</p>	 <p>has been acquired by</p>  <p>March 2021</p>	 <p>Initial Public Offering</p> <p>March 2021</p>

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