



Third Quarter 2019 Earnings Call

Wednesday, October 30, 2019



Caution Concerning Forward Looking Statements

Certain statements made today, including comments about World Fuel's expectations regarding future plans, performance and acquisitions are forward-looking statements that are subject to a range of uncertainties and risks that could cause World Fuel's actual results to materially differ from the forward-looking information. A description of the risk factors that could cause results to materially differ from these projections can be found in World Fuel's most recent Form 10-K and other reports filed with the Securities and Exchange Commission. World Fuel assumes no obligation to revise or publicly release the results of any revisions to these forward-looking statements in light of new information or future events.

This presentation includes certain non-GAAP financial measures, as defined in Regulation G. A reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures is included in World Fuel's press release and can be found on its website.



Business Overview

Michael Kasbar

Chairman and
Chief Executive Officer

Business Overview

- ❑ Our team executed well driving strong operating results in the third quarter
- ❑ The aviation segment delivered strong results driven by further growth in our government-related operations, as well as continued strength in our core commercial and business aviation activities
- ❑ The marine segment generated its strongest result in nearly five years driven by seasonality and a tight High Sulfur Oil market in Singapore
- ❑ The land segment delivered growth driven by strong government results, continued improvement in C&I and steady growth in MultiService activity

Financial Overview

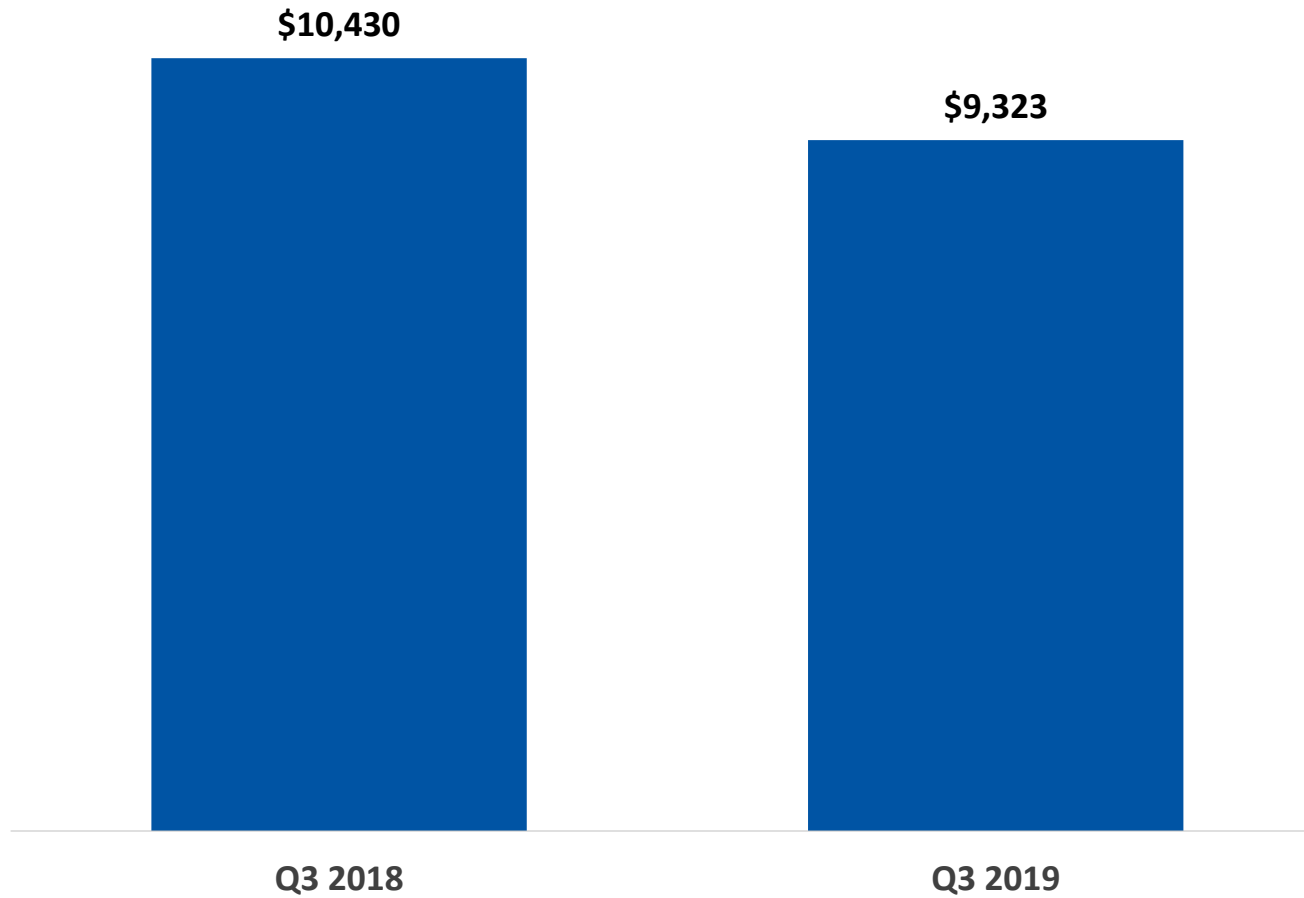
Ira Birns

Executive Vice President and
Chief Financial Officer

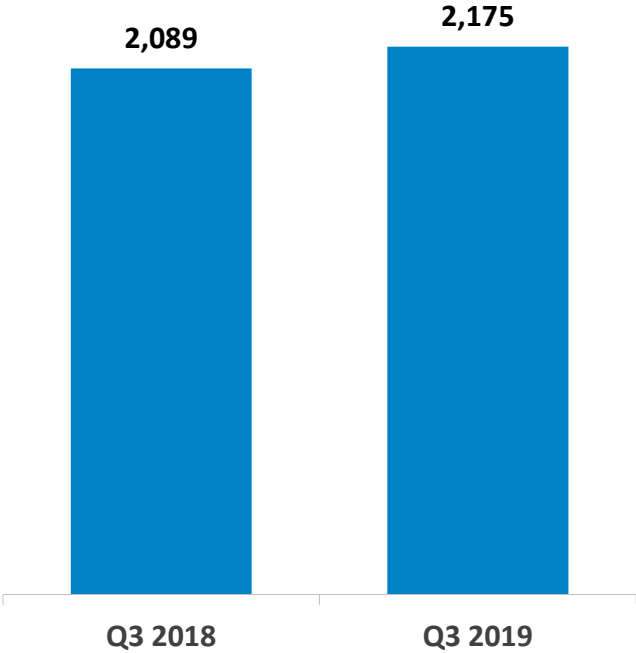
Financial Overview

- ❑ Adjusted EBITDA for the third quarter was \$118 million, up \$13 million or 13% compared to Q3'18
- ❑ Adjusted diluted earnings per share was \$0.77, up 22% compared to Q3'18
- ❑ Generated operating cash flow of \$33 million

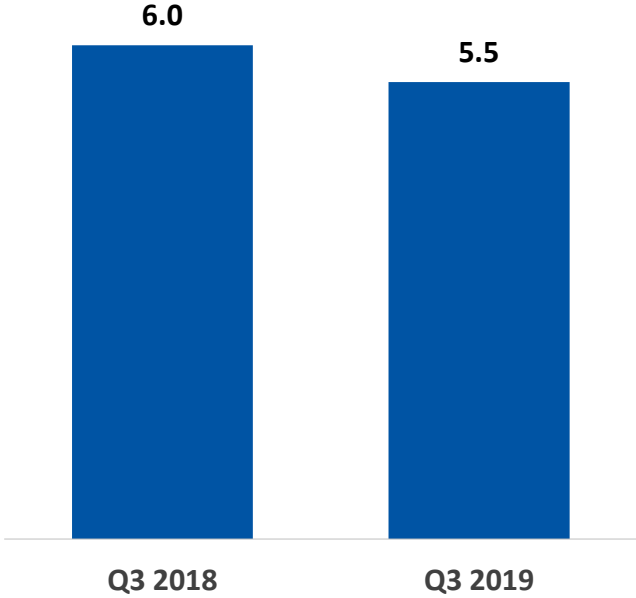
Consolidated Revenue (\$ in millions)



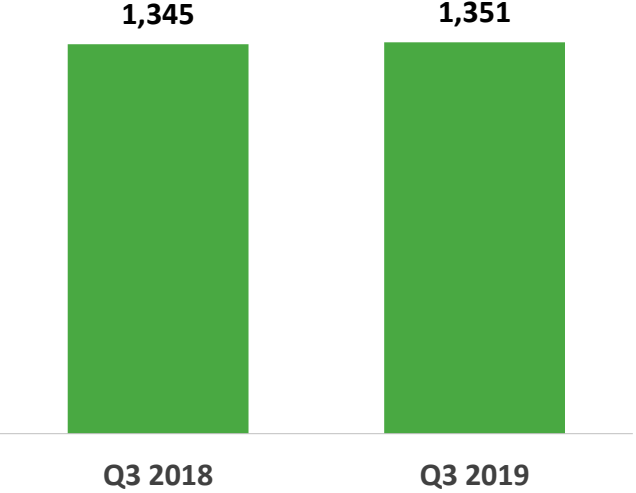
Volume by Segment



Aviation
(Gallons in millions)



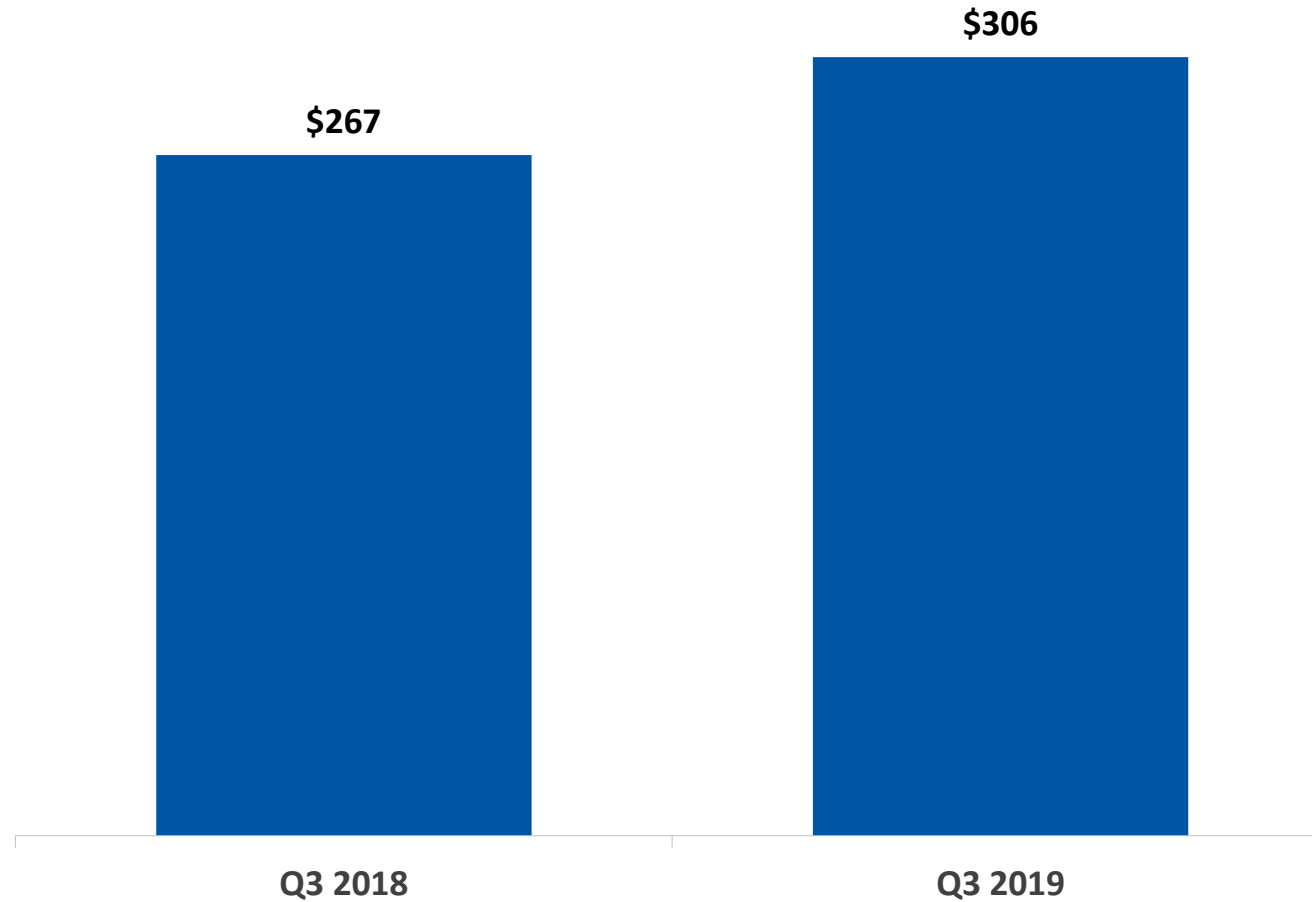
Marine
(Metric tons in millions)



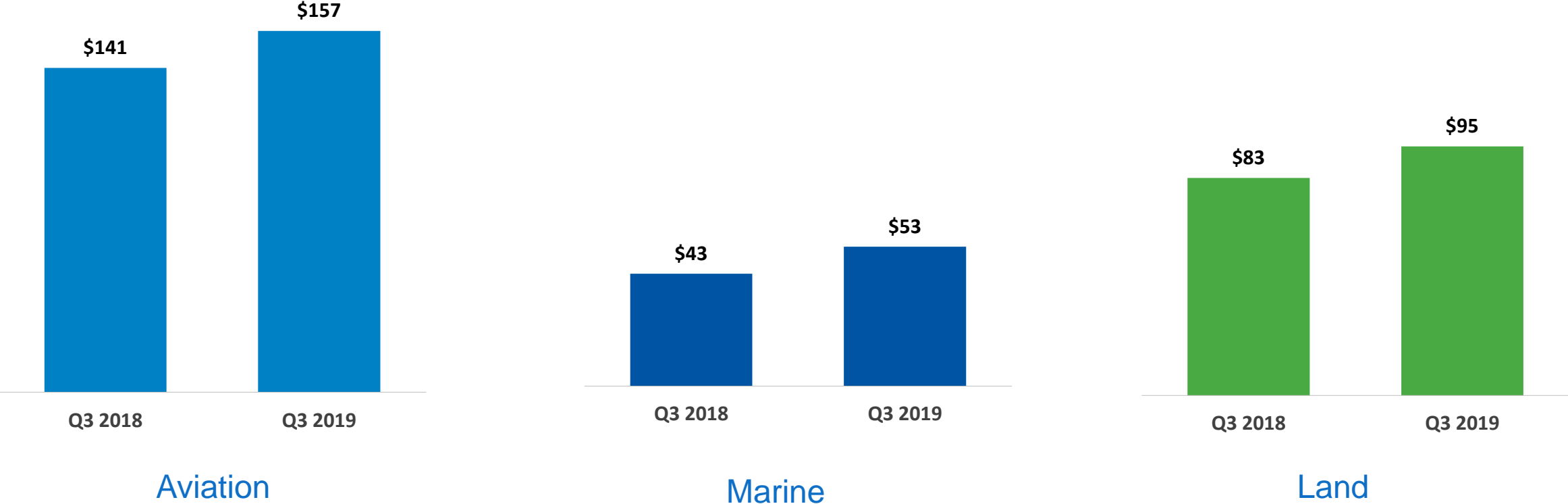
Land
(Gallons in millions) *

* Includes gallon and gallon equivalents

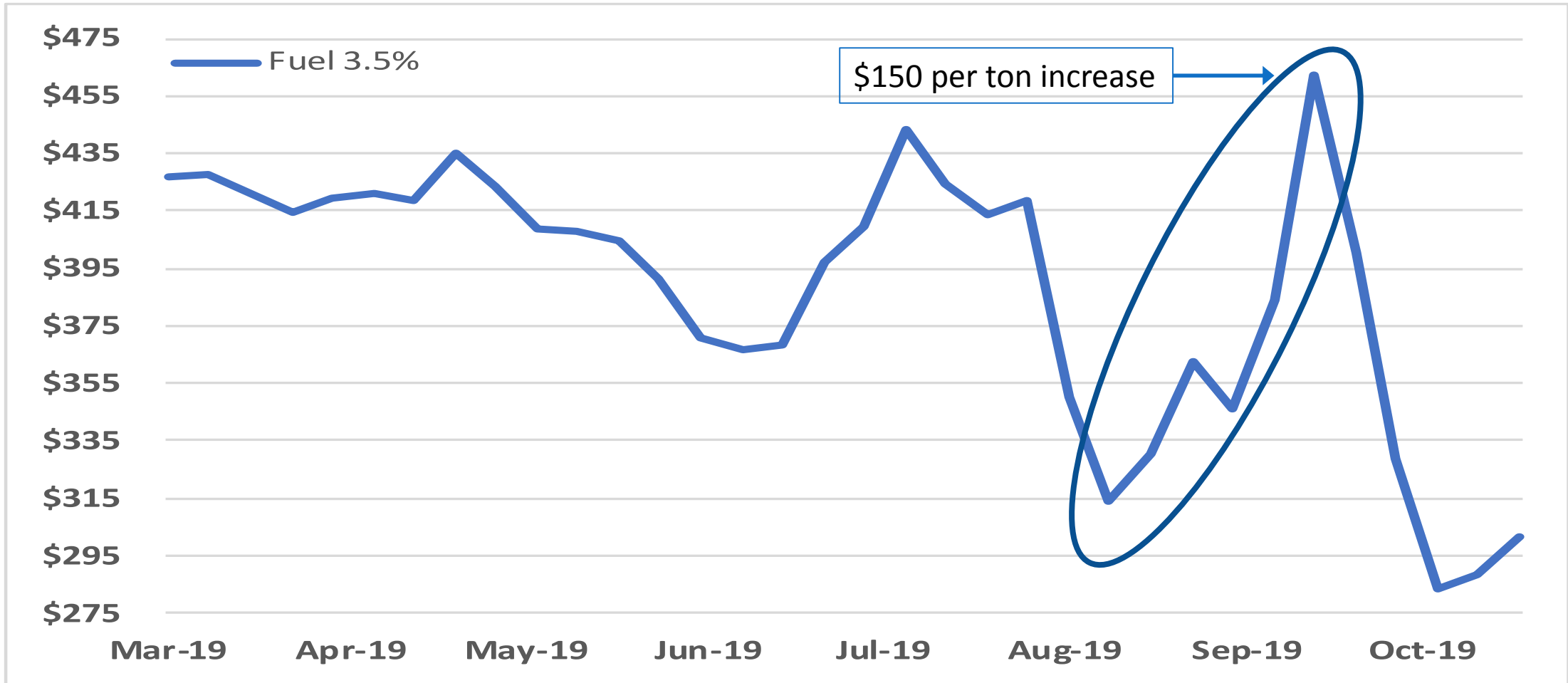
Consolidated Gross Profit (\$ in millions)



Gross Profit by Segment (\$ in millions)



Significant Disruptions Impacted High Sulfur Fuel Oil in Asia During the Latter Part of the Third Quarter

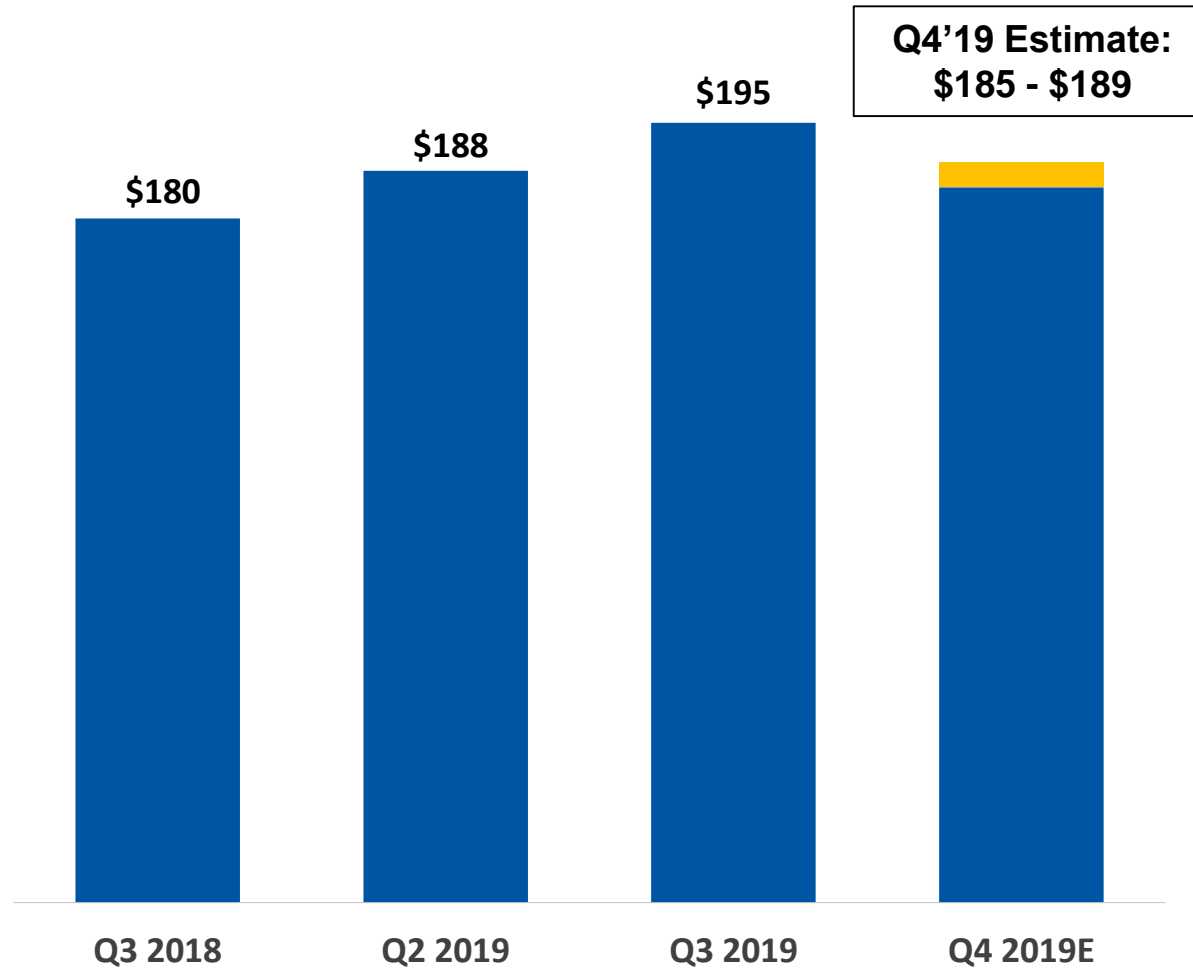


Source: Singapore Bunkerwire

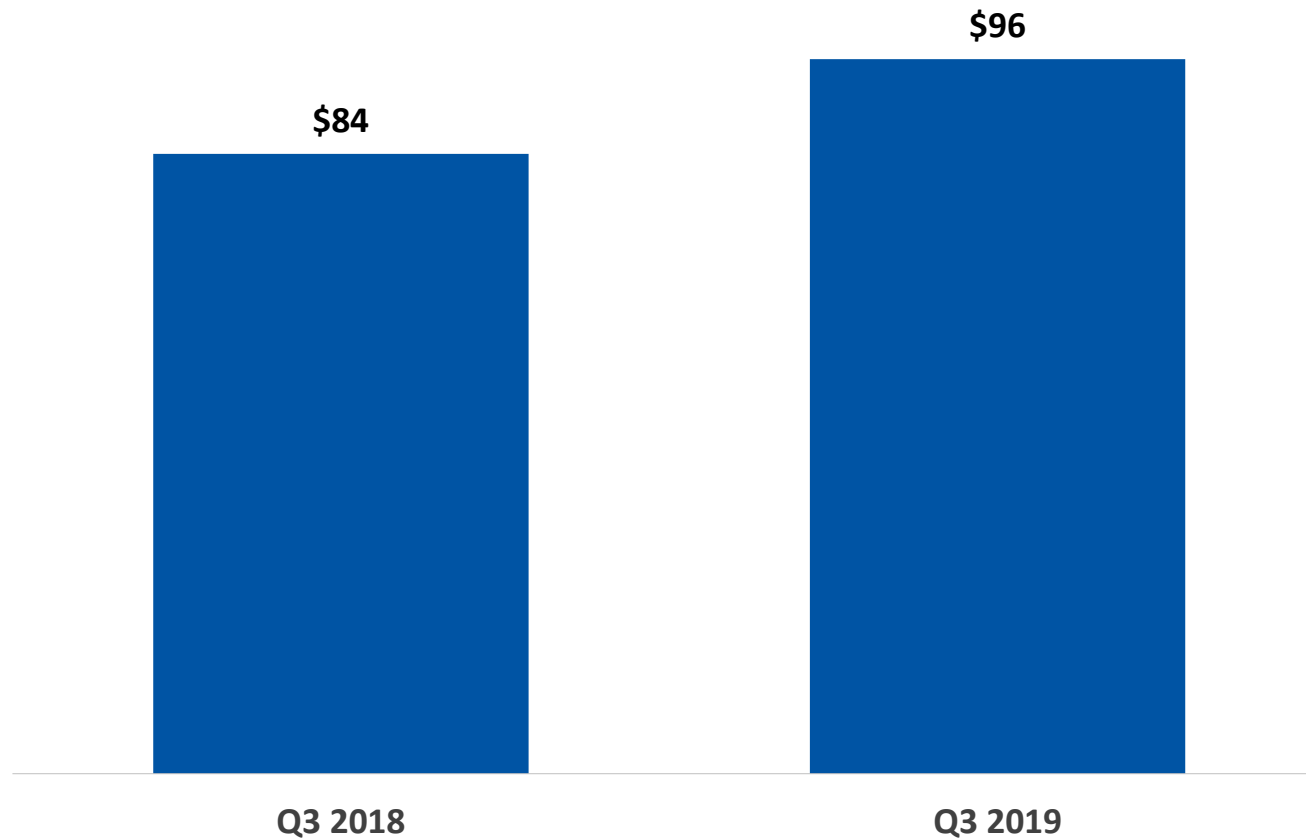
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Consolidated Operating Expenses (excluding bad debt provision)

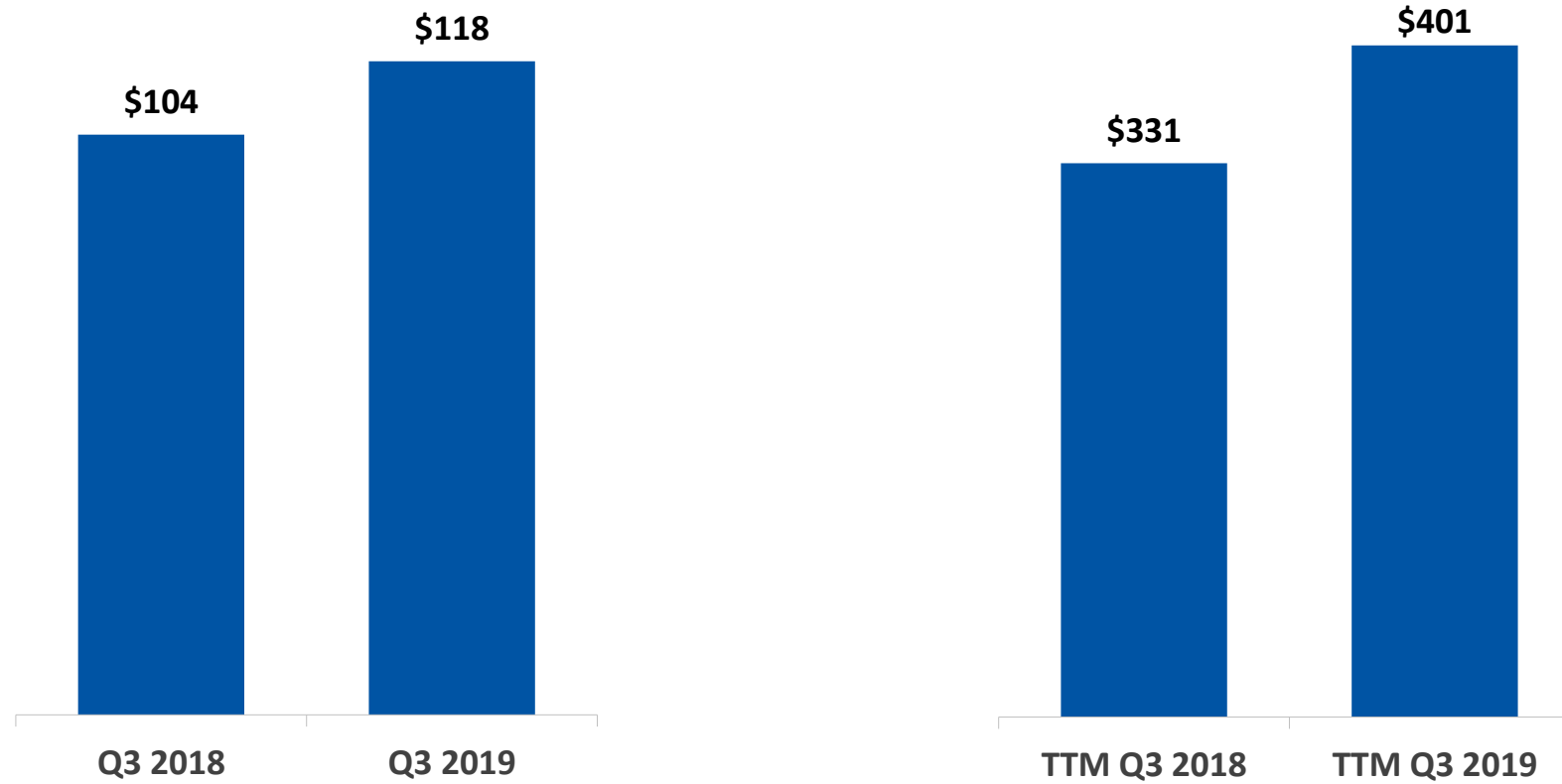
(\$ in millions)



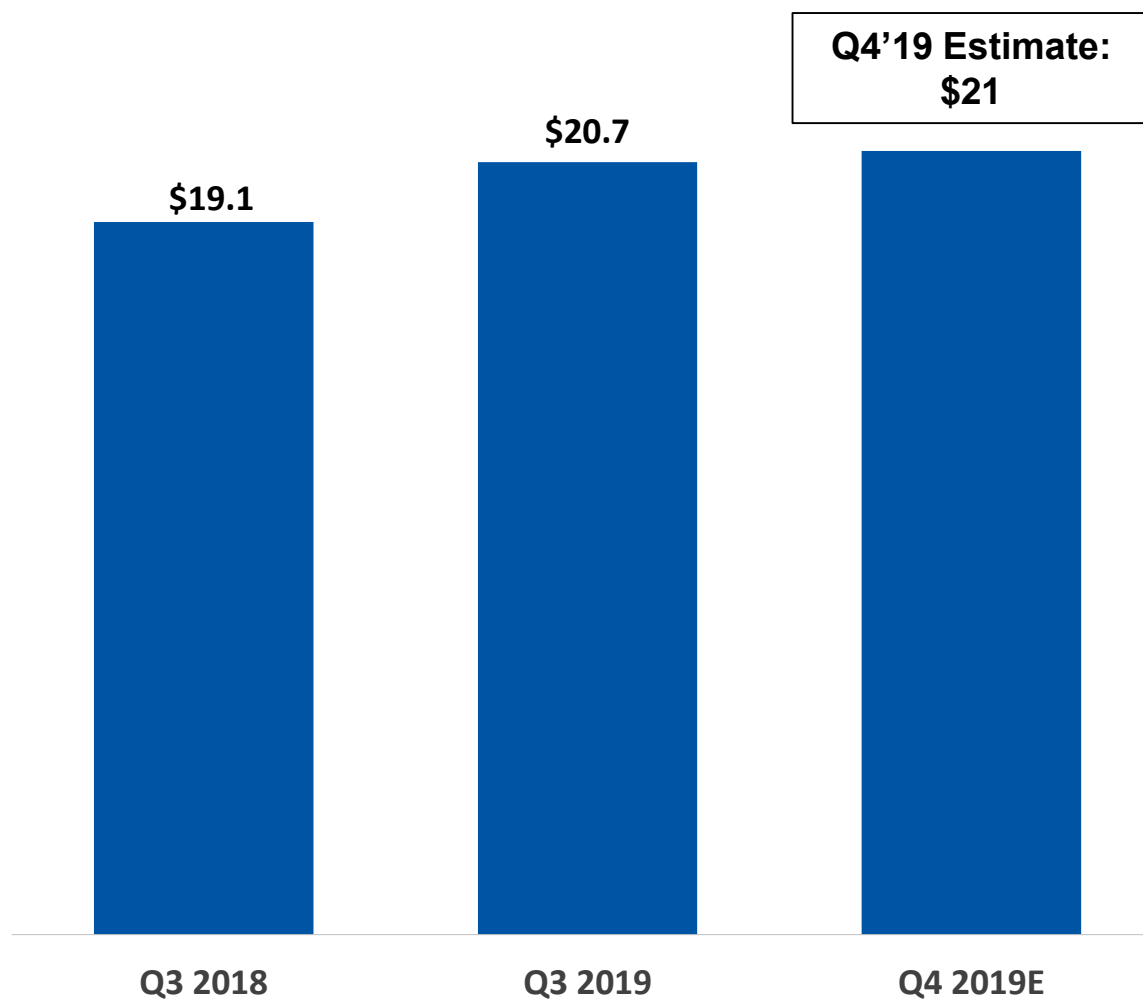
Consolidated Income From Operations (\$ in millions)



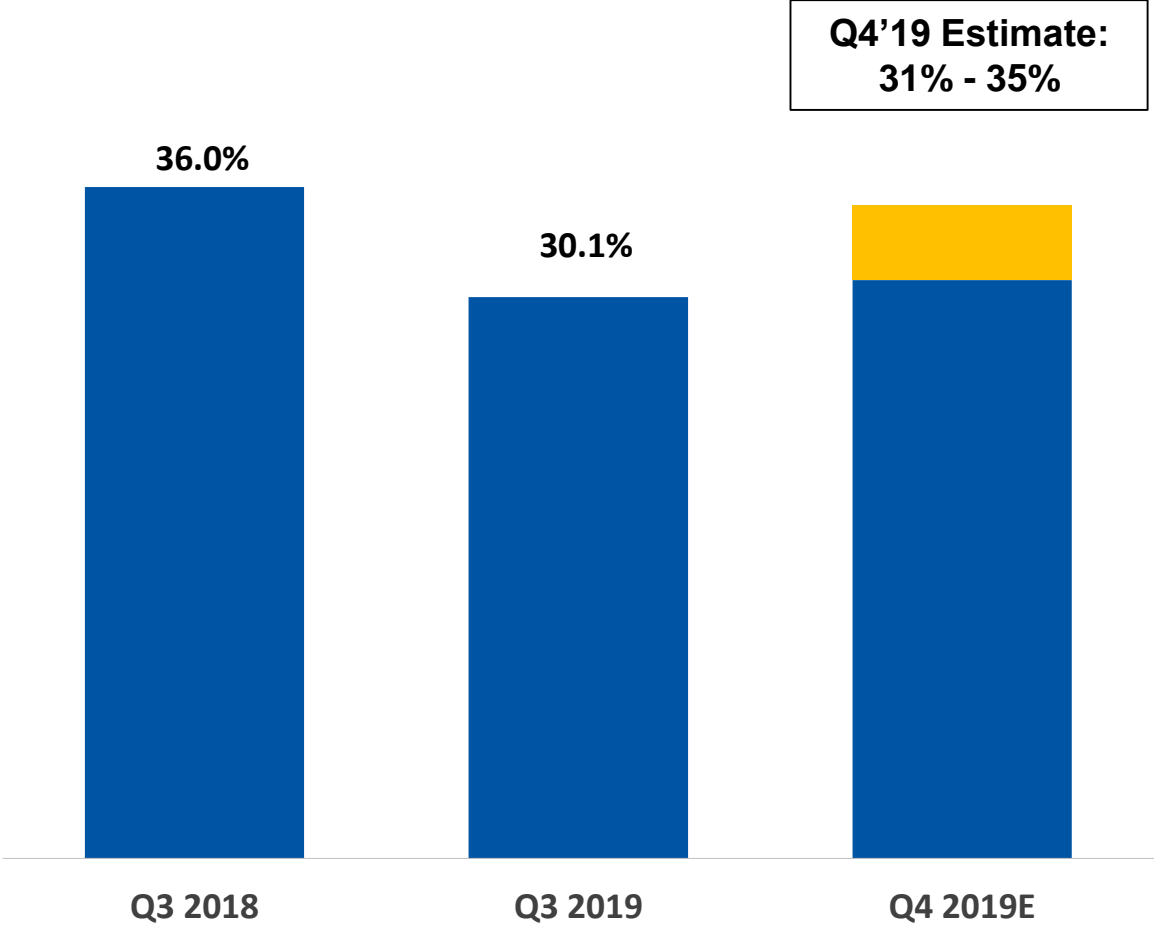
Consolidated EBITDA (\$ in millions)



Interest Expense (\$ in millions)

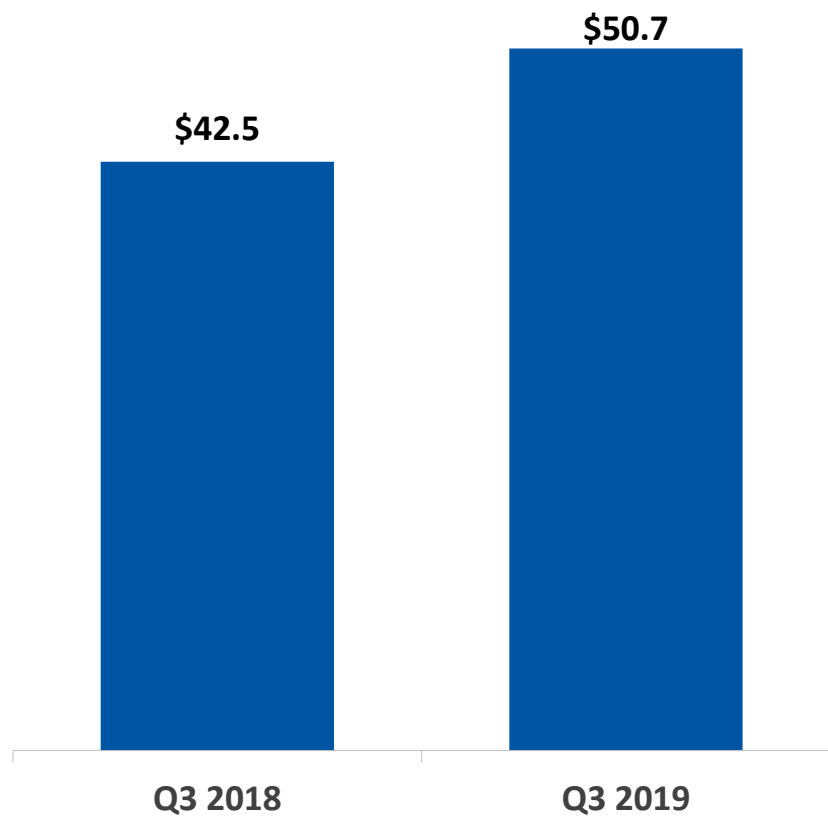


Effective Tax Rate

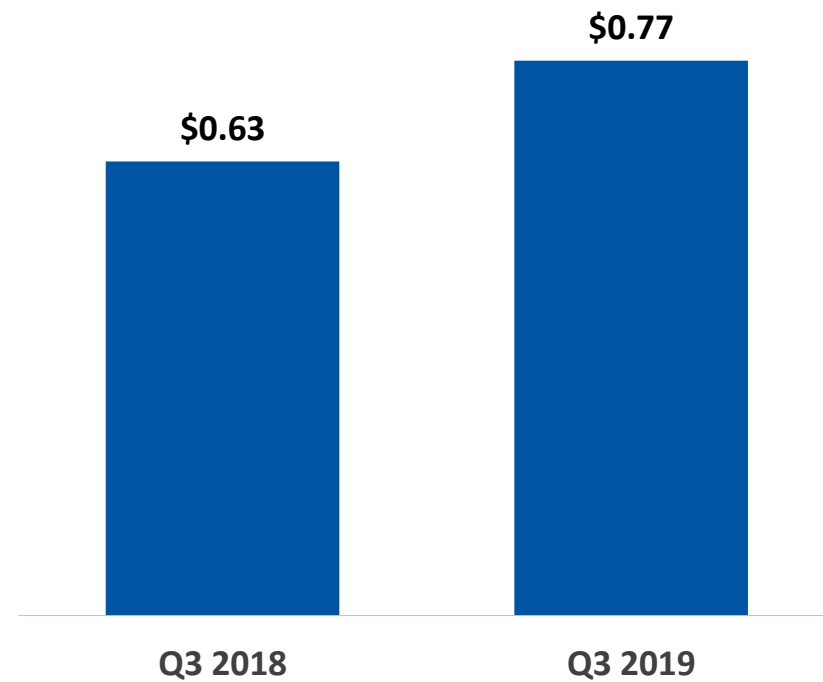


Adjusted Net Income & Adjusted Diluted Earnings Per Share

(\$ in millions except EPS)



Adjusted Net Income



Adjusted Diluted EPS

Balance Sheet Management

Total Accounts Receivable
\$2.7 Billion at quarter end

Net debt-to-Adjusted EBITDA
1.2x driven by solid working capital management

Cash Flow from Operations
\$316 million generated during the past twelve months



Financial Overview

- TTM adjusted EBITDA increased to \$401 million
- Return on Invested Capital increased to highest level since 2014
- We remain focused on improving operating leverage
- Strong liquidity position allows us to drive organic growth and make strategic investments



Questions + Answers

Earnings Reconciliation (\$ in millions except per share data)

| | Q3 2018 | | | Q3 2019 | | |
|---|-------------|--------------------------|-------------|-------------|--------------------------|-------------|
| | As Reported | Adjustments ¹ | As Adjusted | As Reported | Adjustments ¹ | As Adjusted |
| Aviation | | | | | | |
| Gross Profit | \$140.7 | \$0.2 | \$140.9 | \$156.9 | \$0.0 | \$156.9 |
| Operating Expenses | 64.3 | (1.0) | 63.3 | 70.6 | (0.7) | 69.9 |
| Income from Operations | 76.4 | 1.2 | 77.6 | 86.3 | 0.7 | 87.0 |
| Marine | | | | | | |
| Gross Profit | 43.0 | - | 43.0 | 53.4 | - | 53.4 |
| Operating Expenses | 28.6 | (0.7) | 27.9 | 32.8 | (0.2) | 32.6 |
| Income from Operations | 14.4 | 0.7 | 15.1 | 20.6 | 0.2 | 20.8 |
| Land | | | | | | |
| Gross Profit | 83.0 | 0.3 | 83.3 | 95.4 | 0.0 | 95.4 |
| Operating Expenses | 75.2 | (2.4) | 72.8 | 82.0 | (1.7) | 80.3 |
| Income from Operations | 7.8 | 2.7 | 10.5 | 13.4 | 1.7 | 15.1 |
| Corporate (Unallocated) | | | | | | |
| Operating Expenses | 20.5 | (0.9) | 19.6 | 26.7 | (0.3) | 26.4 |
| Income from Operations | (20.5) | 0.9 | (19.6) | (26.7) | 0.3 | (26.4) |
| WFS | | | | | | |
| Gross Profit | 266.7 | 0.5 | 267.2 | 305.7 | 0.0 | 305.7 |
| Operating Expenses | 188.5 | (5.0) | 183.5 | 212.0 | (2.8) | 209.2 |
| Income from Operations | 78.2 | 5.5 | 83.7 | 93.6 | 2.8 | 96.5 |
| Non-operating expense, net | 16.4 | - | 16.4 | 22.8 | (0.5) | 22.3 |
| Income before income taxes | 61.8 | 5.5 | 67.3 | 70.9 | 3.3 | 74.2 |
| Provision for income taxes | 23.0 | 1.2 | 24.2 | 21.5 | 0.8 | 22.3 |
| Net income (loss) attributable to noncontrolling interest | 0.6 | - | 0.6 | 1.2 | - | 1.2 |
| Net income | \$38.2 | \$4.3 | \$42.5 | \$48.2 | \$2.5 | \$50.7 |
| Diluted earnings per common share | \$0.56 | \$0.06 | \$0.63 | \$0.73 | \$0.04 | \$0.77 |

1) Adjustments are related to acquisitions, severance, other restructuring costs and debt extinguishment costs