



# Third Quarter 2021 Earnings Call

Thursday, October 28, 2021



# 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

# Financial Overview

**Ira Birns**

Executive Vice President and  
Chief Financial Officer

# Financial Overview

Adjusted third quarter net income and earnings per share were

**\$23 million**

and **\$0.36** per share

Adjusted third quarter EBITDA was

**\$63 million**

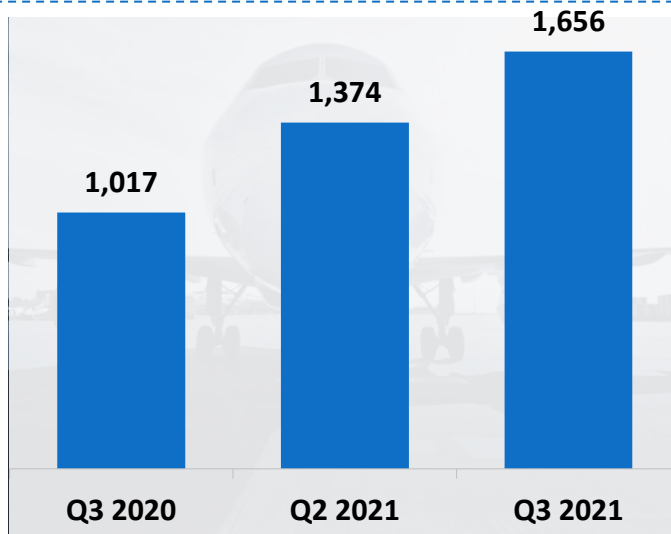
Third quarter consolidated volume up **9% sequentially** and **23%** year-over-year

We generated **\$83 million** of operating cash flow in the third quarter and increased our net cash position to **\$282 million**

# Volume by Segment

## Aviation

Aviation Volumes increased  
**63% in Q3 2021**  
vs. Q3 2020



(Gallons in millions)

## Marine

Marine Volumes increased  
**9% in Q3 2021** vs.  
Q3 2020



(Metric tons in millions)

## Land

Land Volumes increased  
**4% in Q3 2021** vs.  
Q3 2020



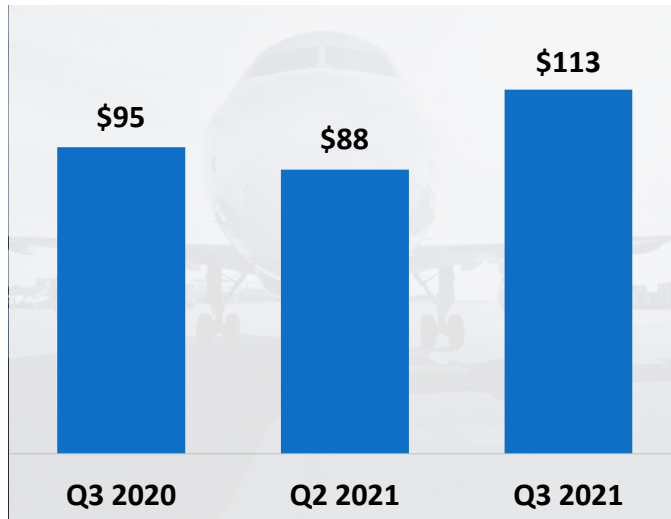
(Gallons in millions) \*

\* Includes gallon and gallon equivalents

# Gross Profit by Segment (\$ in millions)

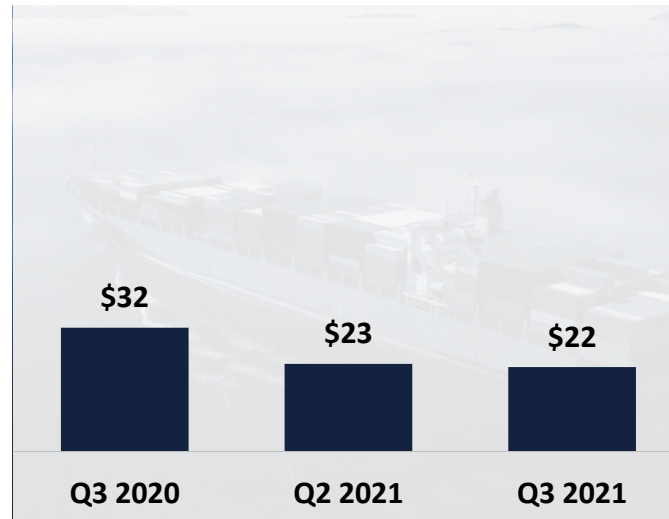
## Aviation

Aviation Gross Profit  
increased **19% in Q3**  
**2021** vs. Q3 2022



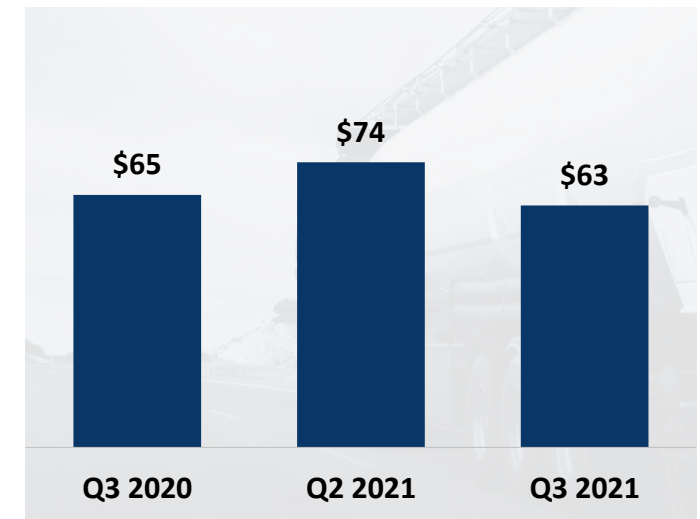
## Marine

Marine Gross Profit  
decreased **31% in Q3**  
**2021** vs. Q3 2020



## Land

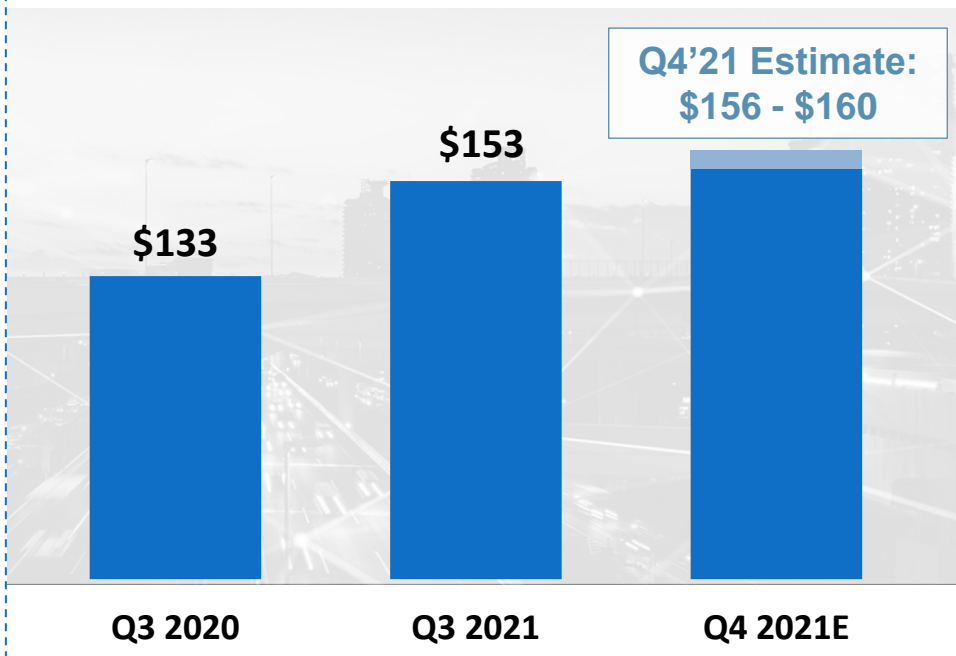
Land Gross Profit decreased  
**4% in Q3 2021** vs.  
Q3 2020



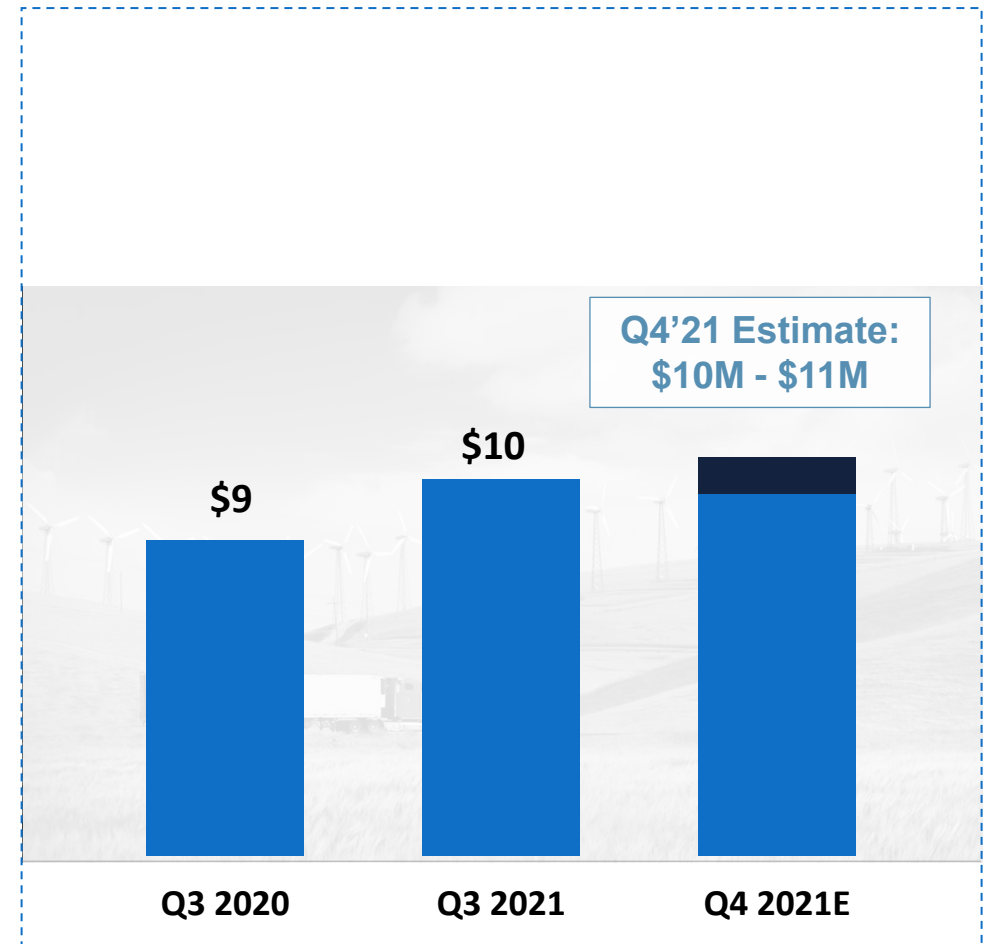
Reflects proforma results excluding the operating results of the MultiService payment solutions business that was sold on September 30, 2020.

## Core Operating Expenses (\$ in millions)

Continued focus on expense management  
while activity increases



## Interest Expense (\$ in millions)

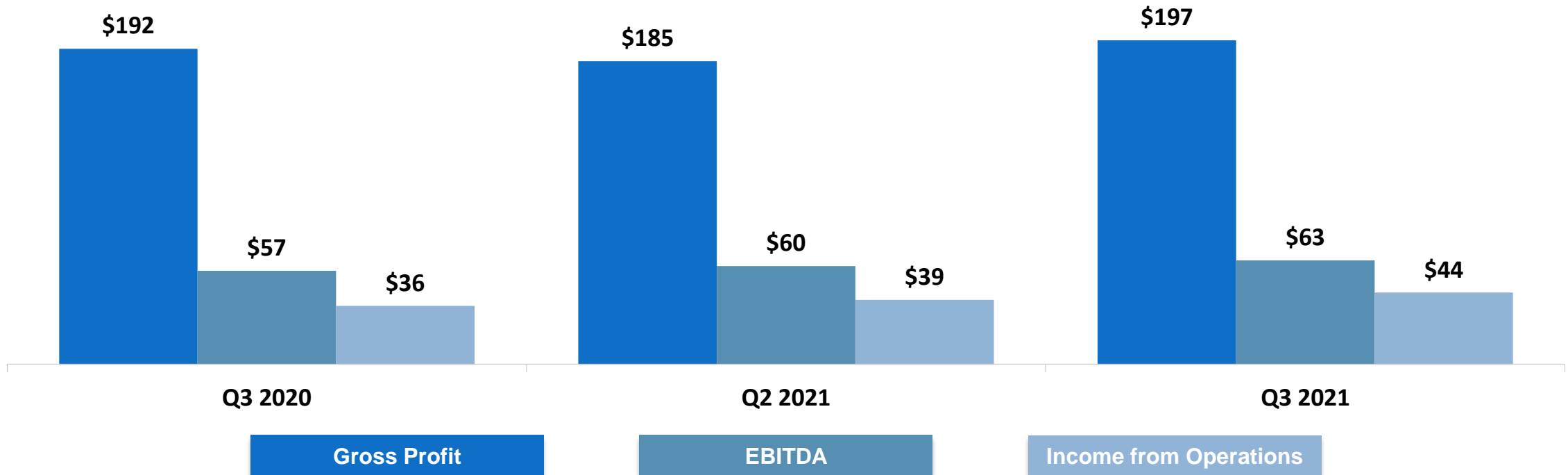


Core Operating Expenses exclude provision for bad debt  
Reflects proforma results excluding the operating results of the MultiService payment solutions business that was sold on September 30, 2020



# Consolidated Gross Profit, EBITDA and Income from Operations

(\$ in millions)



Reflects proforma results excluding the operating results of the MultiService payment solutions business that was sold on September 30, 2020.

# Financial Overview

Total Accounts  
Receivable  
balance was  
**\$2.0 billion**

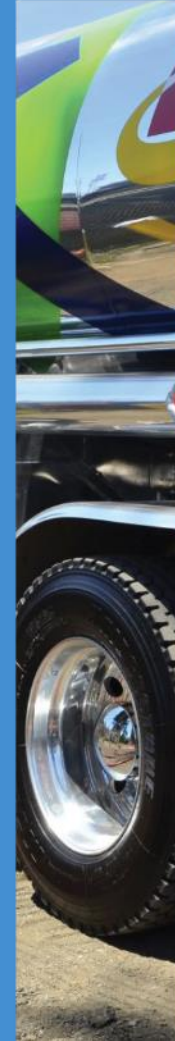
We generated  
**\$83 million**  
of cash flow from  
operations

Strong balance  
sheet includes  
**\$796 million**  
of cash at  
quarter end



## Acquisition of Flyers Energy Group

October 2021



# Transaction Overview



## Price

- Approximately \$775 million
- Will fund with cash-on-hand and revolver draw

## Structure

- \$675 million to be paid at closing with up to \$50 million in equity
- \$50 million cash paid on the 1<sup>st</sup> and 2<sup>nd</sup> anniversaries of closing

## 2021E Gross Profit

- \$135 million

## Accretion

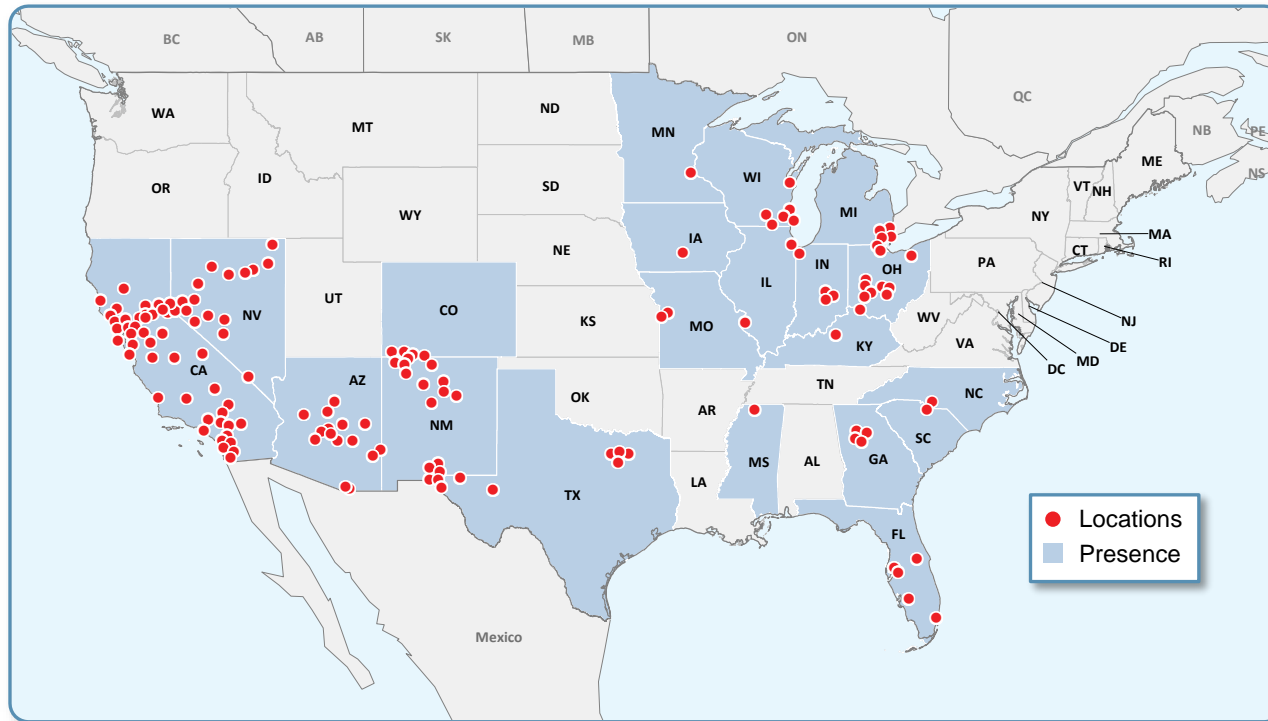
- Transaction expected to be substantially accretive to margins, cash flow and earnings per share in the first 12 months

## Expected Timing

- Expected to close in 60-90 days, subject to customary regulatory approval

# Flyers is a Best-in-Class Platform, Core to our Long-Term Strategy, which will Enhance the North American Growth Potential

*Flyers Energy distributes diesel, renewable fuels, lubricants and gasoline to its portfolio of commercial, industrial and retail customers*



<p><b>~850</b> million gallons sold</p>	<p><b>~400</b> network fueling sites (includes ~200 operated sites)</p>
<p><b>12,000+</b> small/medium sized commercial and industrial customers</p>	<p><b>2021E</b> Revenue of <b>\$2.4 billion</b> and Gross Profit of <b>\$135 million</b></p>

# Delivers a Comprehensive and Efficient Fuel Distribution Solution

## Cardlocks



Unmanned fuel sites where customers purchase fuel with fleet cards

National cardlock network of ~200 operated locations and ~200 contracted sites

Access to broader network of more than 50,000 fueling locations



## Retail

Contracted distribution to 100+ branded fuel stations, which will increase World Fuel Services' retail distribution network to more than 2,000 locations



## Supply



Wholesale storage positions at various terminals across the US

Unbranded rack / truck and trailer fuel sales

### **Stable and Ratable Business Model**

Loyal and growing customer base of commercial vehicles

### **Low Cost Operating Model**

Efficient fuel delivery from terminal to customer

## Bulk Plants



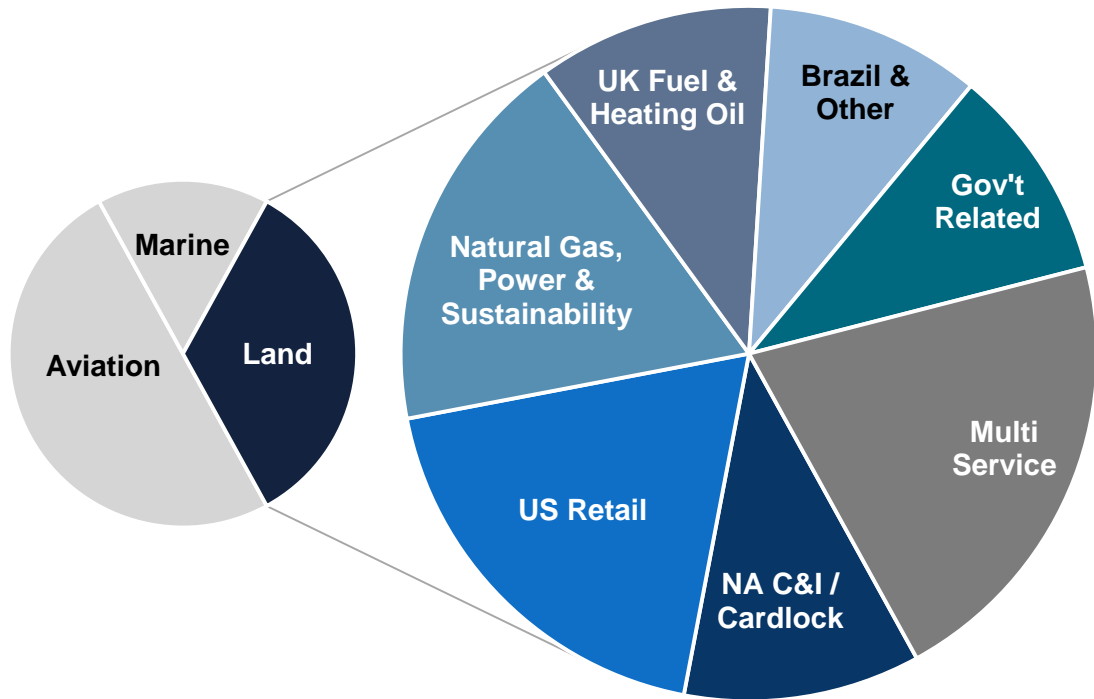
17 bulk storage facilities

Lubricants distribution for commercial / industrial customers

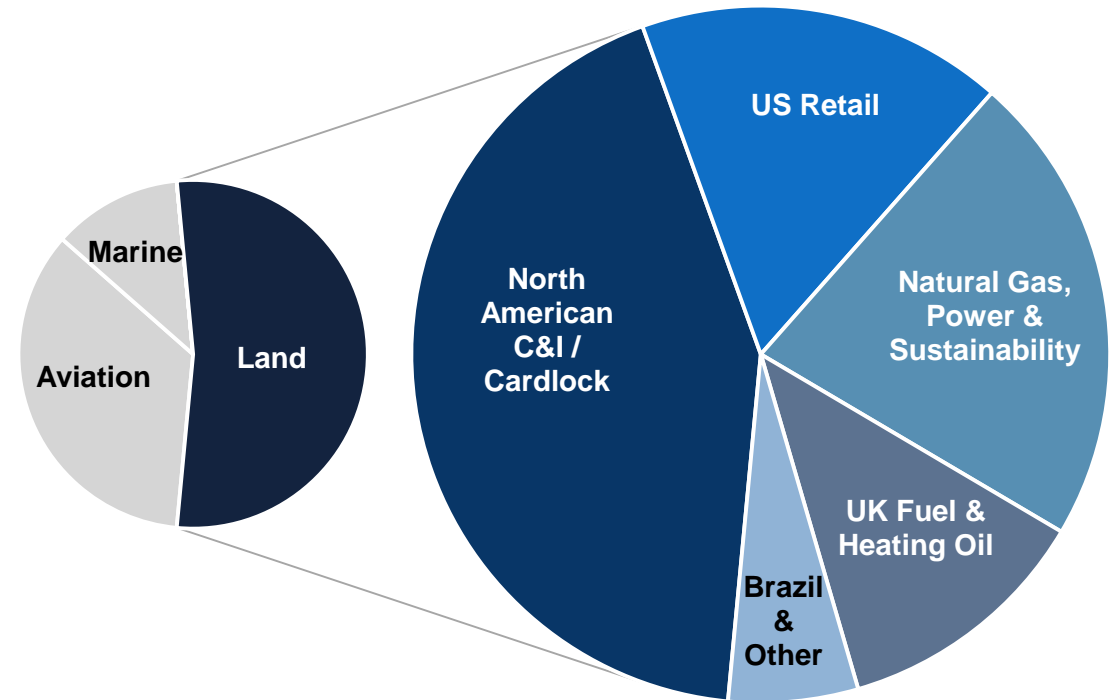
Direct bulk fuel delivery business

# Further Sharpening the Land Portfolio

*2019 Gross Profit by Segment*



*Post-Transaction Run-Rate Gross Profit by Segment*



# Acquisition Expands Platform to Continue Growing Renewable Fuels Distribution



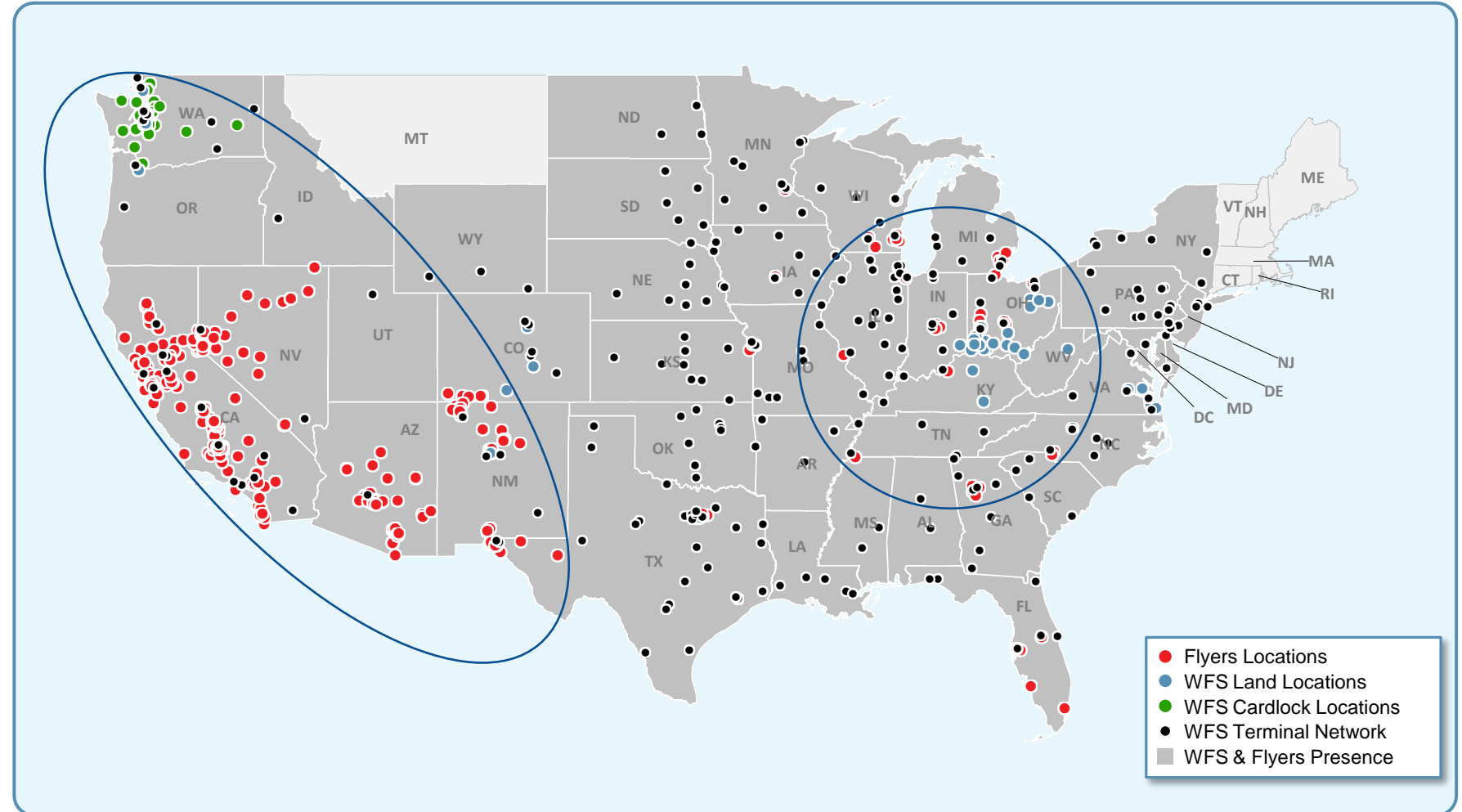
**World Fuel Services** will now have more than **30,000 commercial** and **industrial customers** to support the growth in supply of **Renewable Fuels**



# Will Enhance Density of the Land Fuels Segment and Significantly Improve Scale

*Further expands World Fuel Services balanced portfolio with value chain and distribution density across the United States*

- ✓ Will significantly expand World Fuel Services cardlock network; low-cost operating model drives above average returns
- ✓ Sizable expansion for Land segment to increase scale and fuel purchasing opportunities
- ✓ Expanded presence in West Coast market and further bolsters presence in Midwest and East Coast
- ✓ Will add best-in-class Management team poised to drive further growth



# Adds Significant Scale, Delivers Strong Earnings per Share Accretion and Supports the Growth of the Business



- ✓ Strategic acquisition of a stable, ratable and growing business
- ✓ Low risk customer portfolio
- ✓ Management depth to accelerate growth
- ✓ Adds significant scale and improves density of the North American Land segment
- ✓ Strong pipeline of additional investment opportunities can drive further growth and operating efficiencies
- ✓ Heightens the opportunity to participate in growth of renewable fuels
- ✓ Improves the overall tax efficiency of the company by adding substantial US business activity
- ✓ Transaction expected to be substantially accretive to margins, earnings per share and cash flow in the first 12 months...
- ✓ ...While maintaining a strong and liquid balance sheet

# Questions + Answers

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



	Q3 2020			Q3 2021		
	As Reported	Adjustments <sup>1</sup>	As Adjusted	As Reported	Adjustments <sup>1</sup>	As Adjusted
<b>Aviation</b>						
Gross Profit	\$97.6	\$0.0	\$97.6	\$113.0	\$0.0	\$113.0
Operating Expenses	68.4	(2.0)	66.4	56.0	0.2	56.2
Income from Operations	29.2	2.0	31.2	57.0	(0.2)	56.8
<b>Marine</b>						
Gross Profit	32.0	-	32.0	21.9	-	21.9
Operating Expenses	23.8	(1.1)	22.7	18.2	0.2	18.4
Income from Operations	8.2	1.1	9.3	3.6	(0.2)	3.5
<b>Land</b>						
Gross Profit	84.3	(0.0)	84.3	62.6	0.0	62.6
Operating Expenses	65.6	(0.6)	64.9	59.0	(2.3)	56.6
Income from Operations	18.8	0.6	19.4	3.7	2.4	6.0
<b>Corporate (Unallocated)</b>						
Operating Expenses	17.4	0.3	17.7	22.6	0.0	22.6
Income from Operations	(17.4)	(0.3)	(17.7)	(22.6)	(0.0)	(22.6)
<b>WFS</b>						
Gross Profit	214.0	(0.0)	214.0	197.5	0.0	197.5
Operating Expenses	175.2	(3.4)	171.8	155.8	(2.0)	153.8
Income from Operations	38.8	3.4	42.2	41.7	2.0	43.7
Non-operating expense, net	(69.0)	80.0	11.0	9.4	0.7	10.1
Income before income taxes	107.8	(76.6)	31.2	32.3	1.3	33.6
Provision for income taxes	25.4	(15.4)	10.0	10.0	0.3	10.3
Net income (loss) attributable to noncontrolling interest	0.5	-	0.5	0.6	-	0.6
Net income	\$82.0	(\$61.2)	\$20.7	\$21.7	\$1.0	\$22.7
Diluted earnings per common share	\$1.29	(\$0.96)	\$0.33	\$0.34	\$0.02	\$0.36

1) Adjustments are related to acquisitions, restructuring, and divestitures.

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



	For the 9 Months Ended September 30, 2020			For the 9 Months Ended September 30, 2021		
	As Reported	Adjustments <sup>1</sup>	As Adjusted	As Reported	Adjustments <sup>1</sup>	As Adjusted
<b>Aviation</b>						
Gross Profit	\$282.6	\$0.0	\$282.6	\$277.1	\$0.8	\$277.9
Operating Expenses	215.4	(10.0)	205.4	163.0	0.1	163.1
Income from Operations	67.3	10.0	77.2	114.0	0.7	114.7
<b>Marine</b>						
Gross Profit	128.6	-	128.6	70.0	-	70.0
Operating Expenses	73.2	(5.6)	67.6	55.3	0.2	55.4
Income from Operations	55.4	5.6	61.0	14.8	(0.2)	14.6
<b>Land</b>						
Gross Profit	275.4	0.0	275.4	225.9	0.0	225.9
Operating Expenses	221.2	(9.6)	211.7	181.4	(12.1)	169.2
Income from Operations	54.1	9.6	63.7	44.5	12.1	56.7
<b>Corporate (Unallocated)</b>						
Operating Expenses	55.3	(3.9)	51.4	63.1	(2.0)	61.0
Income from Operations	(55.3)	3.9	(51.4)	(63.1)	2.0	(61.0)
<b>WFS</b>						
Gross Profit	686.6	0.0	686.6	573.0	0.8	573.8
Operating Expenses	565.1	(29.0)	536.1	462.7	(13.9)	448.8
Income from Operations	121.5	29.0	150.5	110.2	14.7	125.0
Non-operating expense, net	(41.0)	80.0	39.0	30.7	0.7	31.4
Income before income taxes	162.4	(51.0)	111.5	79.5	14.1	93.6
Provision for income taxes	49.0	(10.3)	38.8	20.8	3.9	24.7
Net income (loss) attributable to noncontrolling interest	0.2	-	0.2	0.5	-	0.5
Net income	\$113.1	(\$40.7)	\$72.4	\$58.2	\$10.1	\$68.4
Diluted earnings per common share	\$1.76	(\$0.63)	\$1.13	\$0.92	\$0.16	\$1.08

1) Adjustments are related to acquisitions, restructuring, asset impairment costs, and divestitures.