



Fourth Quarter & Full Year 2020 Earnings Call

Thursday, February 25, 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

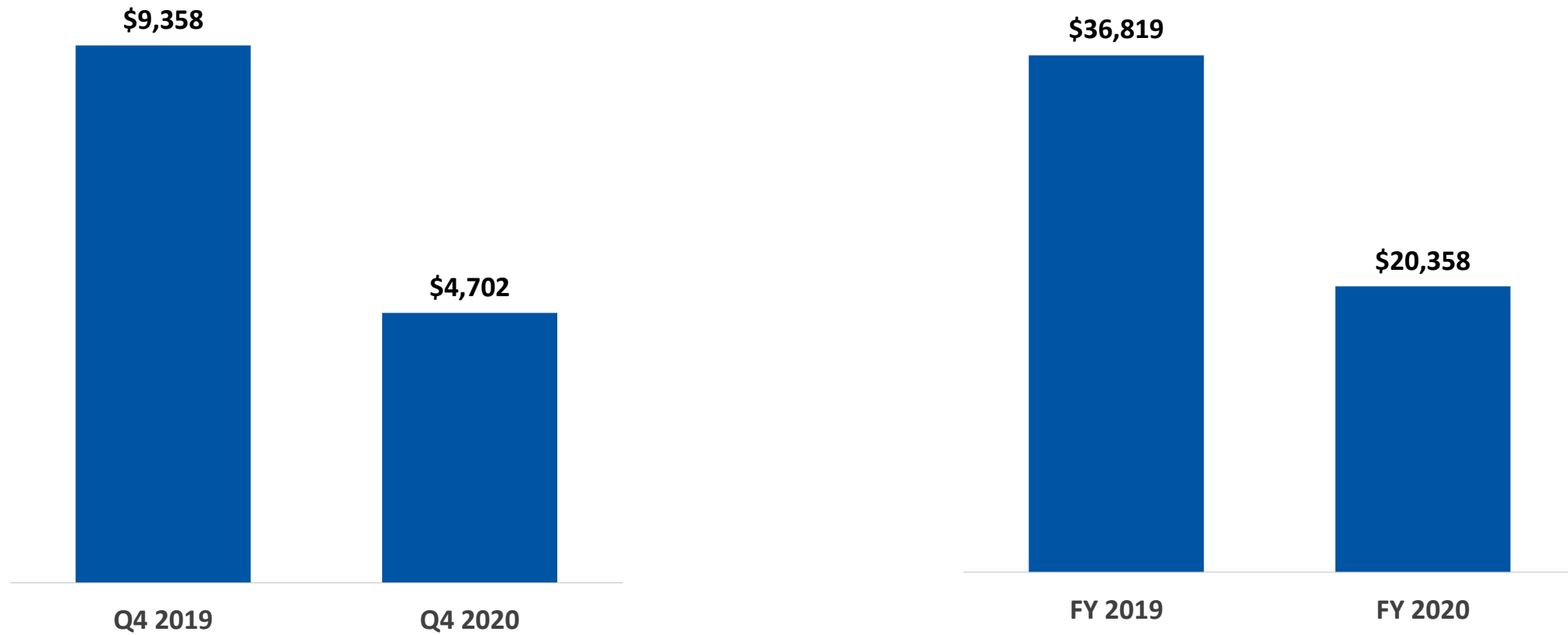
Ira Birns

Executive Vice President and
Chief Financial Officer

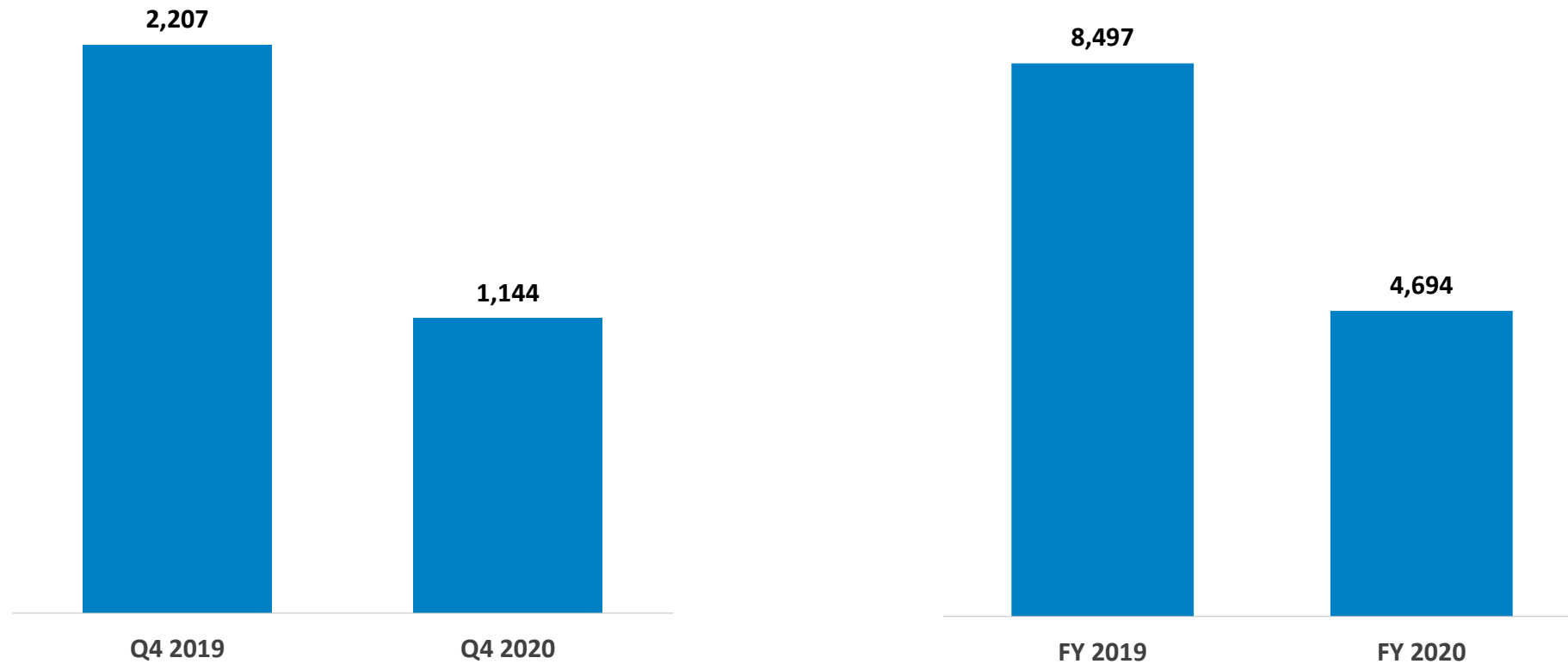
Financial Overview

- Consolidated volume for the fourth quarter increased sequentially to 3.5 billion gallons, driven by increases in the aviation and land segments
- For the full year, our consolidated volume was 14.4 billion gallons, down approximately 26% compared to 2019
- Adjusted fourth quarter net income and earnings per share were \$1 million and \$0.02 per share, respectively
- Adjusted full year net income and earnings per share were \$74 million and \$1.15 per share, respectively
- Adjusted EBITDA for the fourth quarter was \$45 million
- Adjusted EBITDA for the full year was \$261 million
- We generated another \$114 million of cash flow from operations during the fourth quarter, which contributed to a record \$604 million of cash flow from operations for the full year

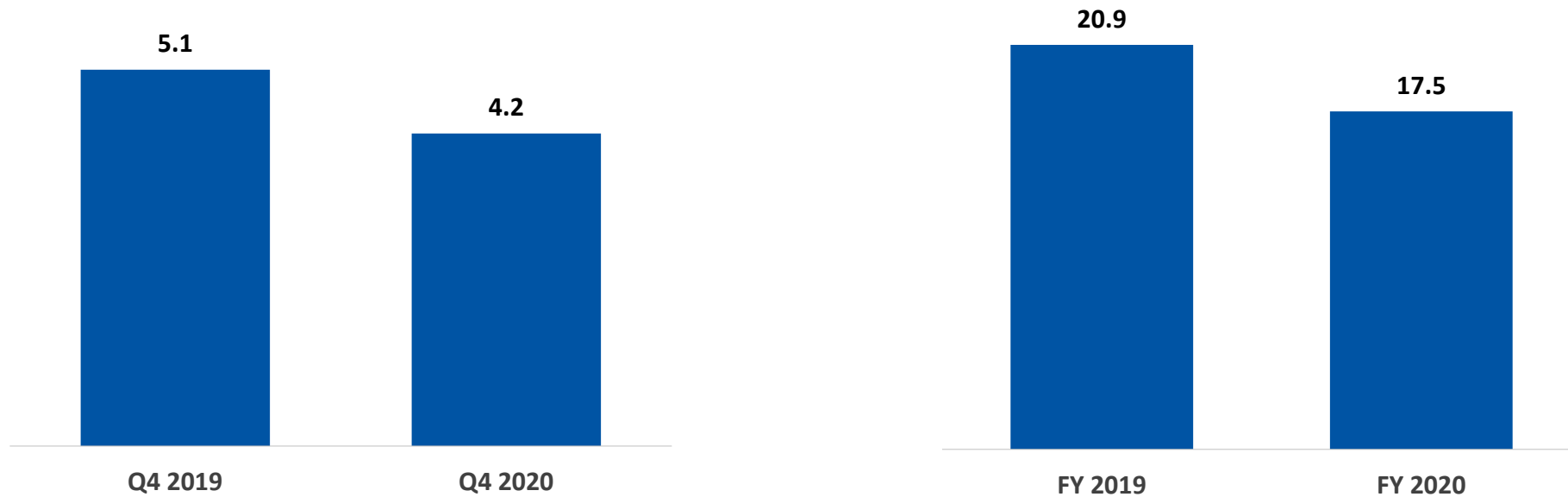
Consolidated Revenue (\$ in millions)



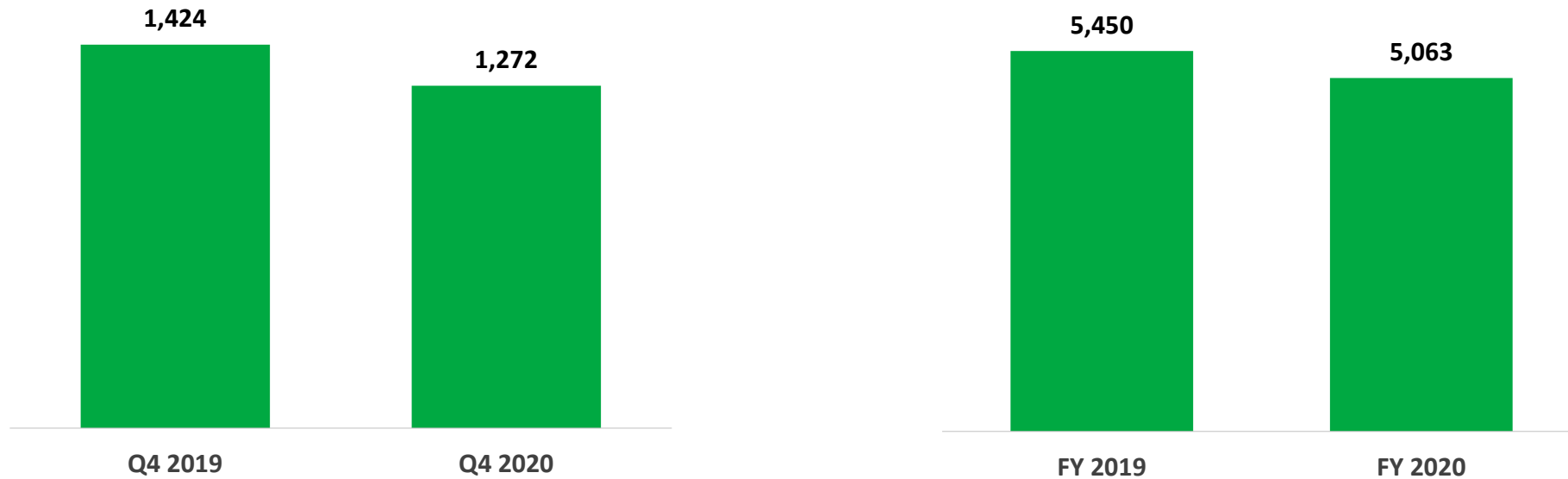
Volume by Segment – Aviation (gallons in millions)



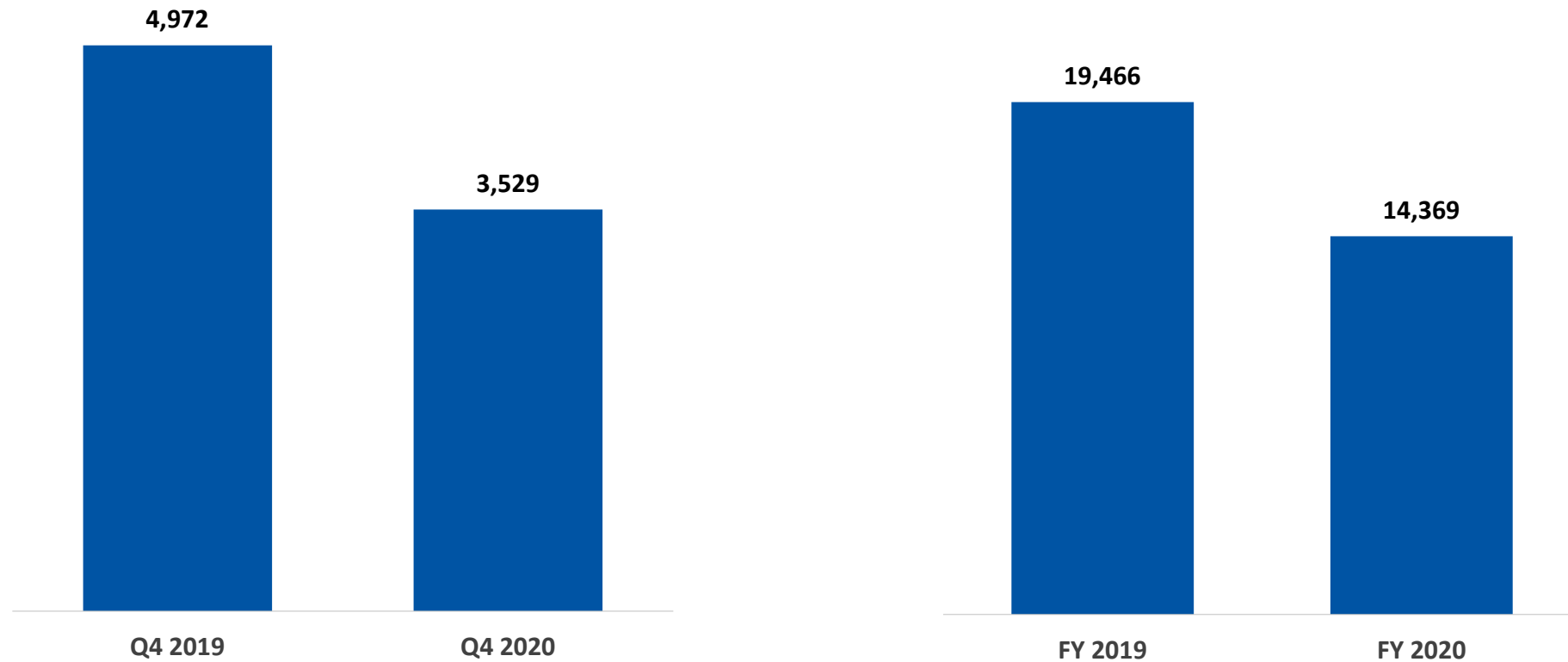
Volume by Segment – Marine (metric tons in millions)



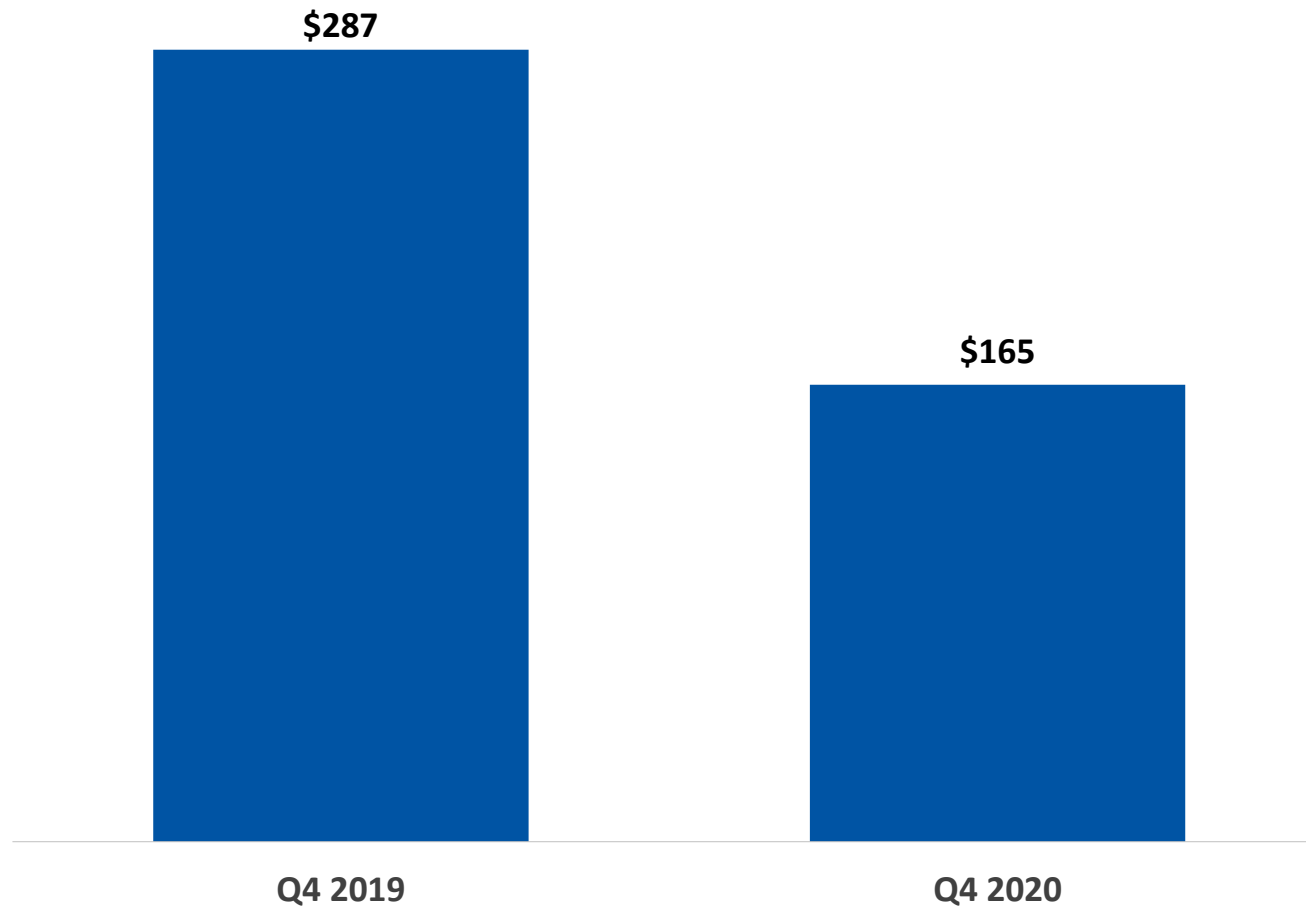
Volume by Segment – Land (gallons and gallon equivalents in millions)



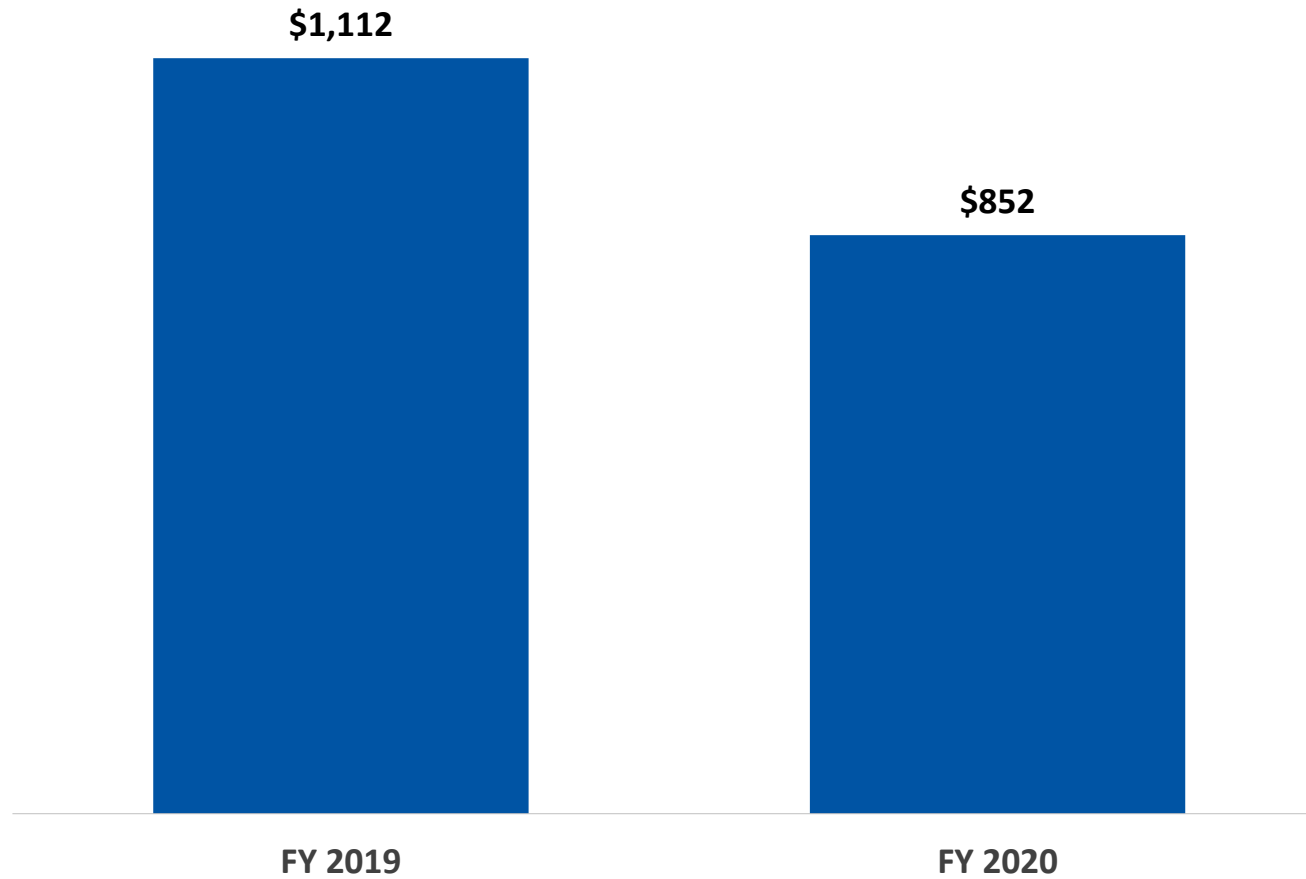
Total Consolidated Volume (gallons and gallon equivalents in millions)



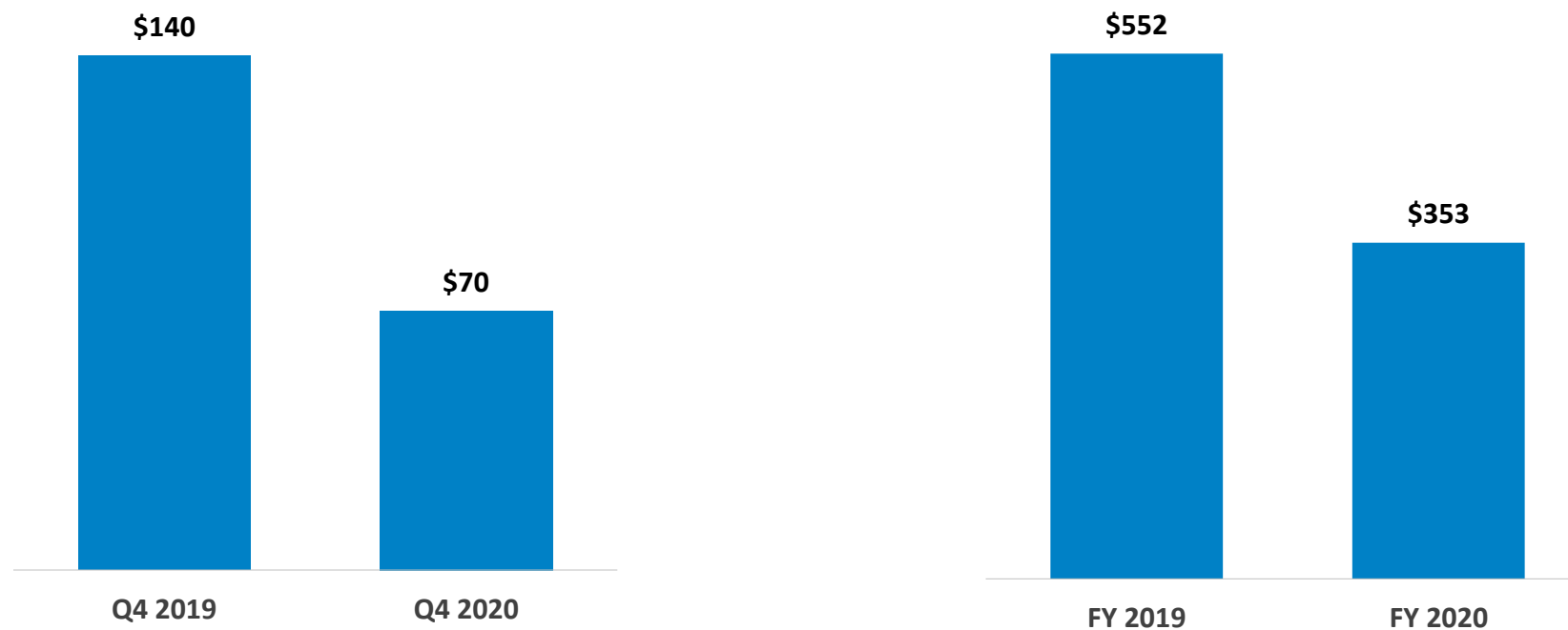
Consolidated Adjusted Gross Profit (\$ in millions)



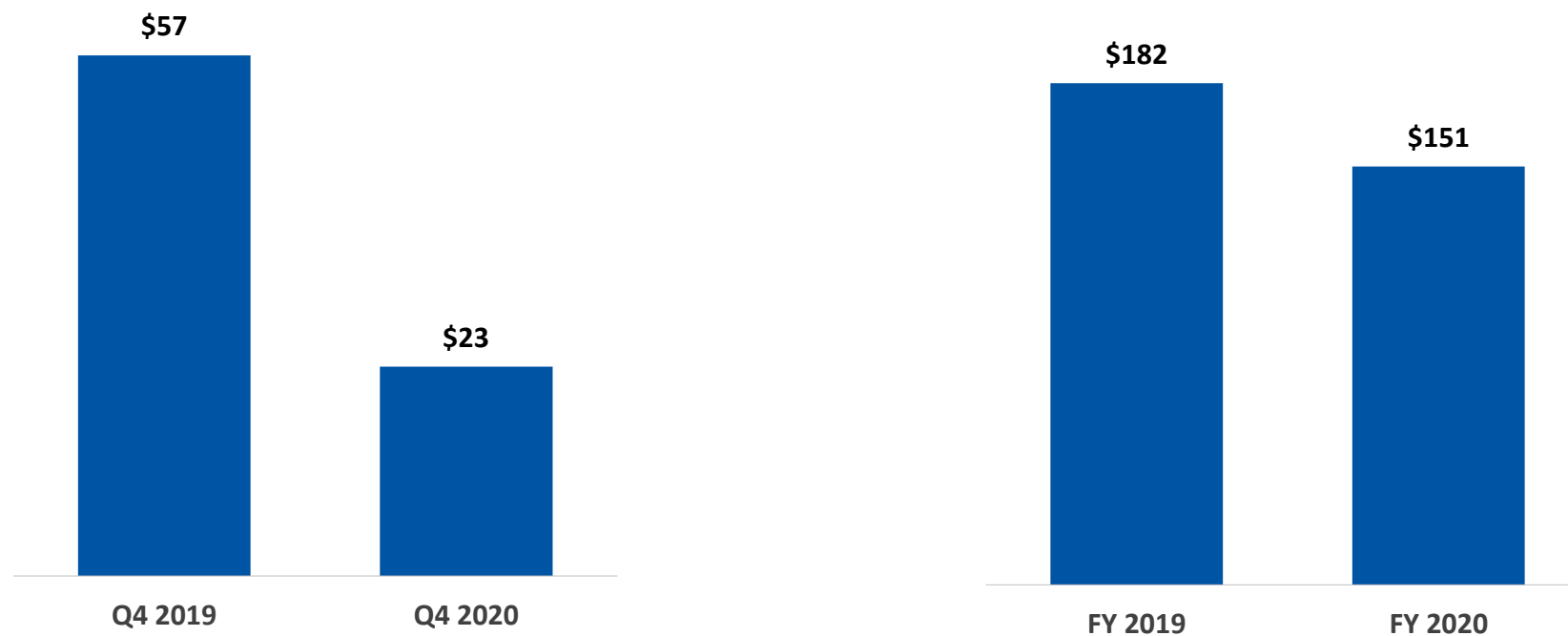
Consolidated Adjusted Gross Profit (\$ in millions)



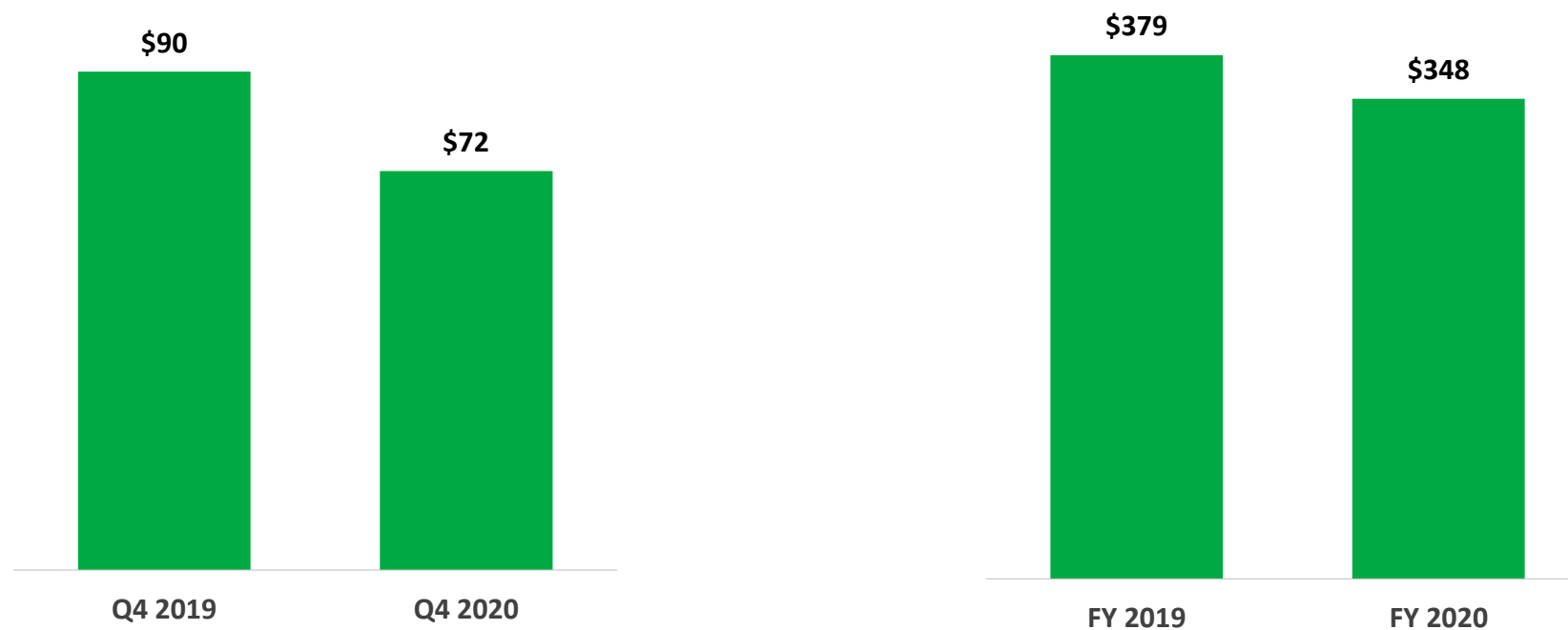
Adjusted Gross Profit by Segment – Aviation (\$ in millions)



Adjusted Gross Profit by Segment – Marine (\$ in millions)

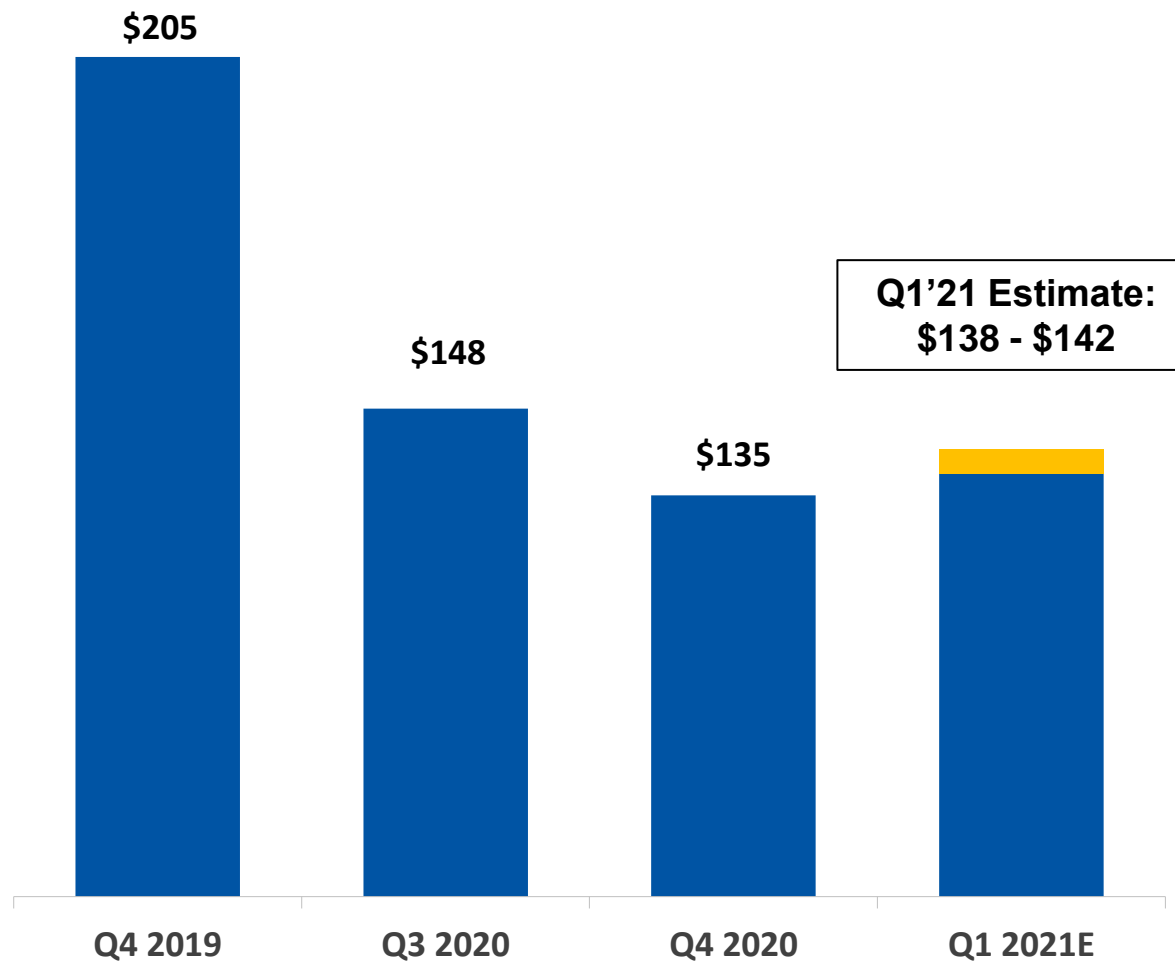


Adjusted Gross Profit by Segment – Land (\$ in millions)

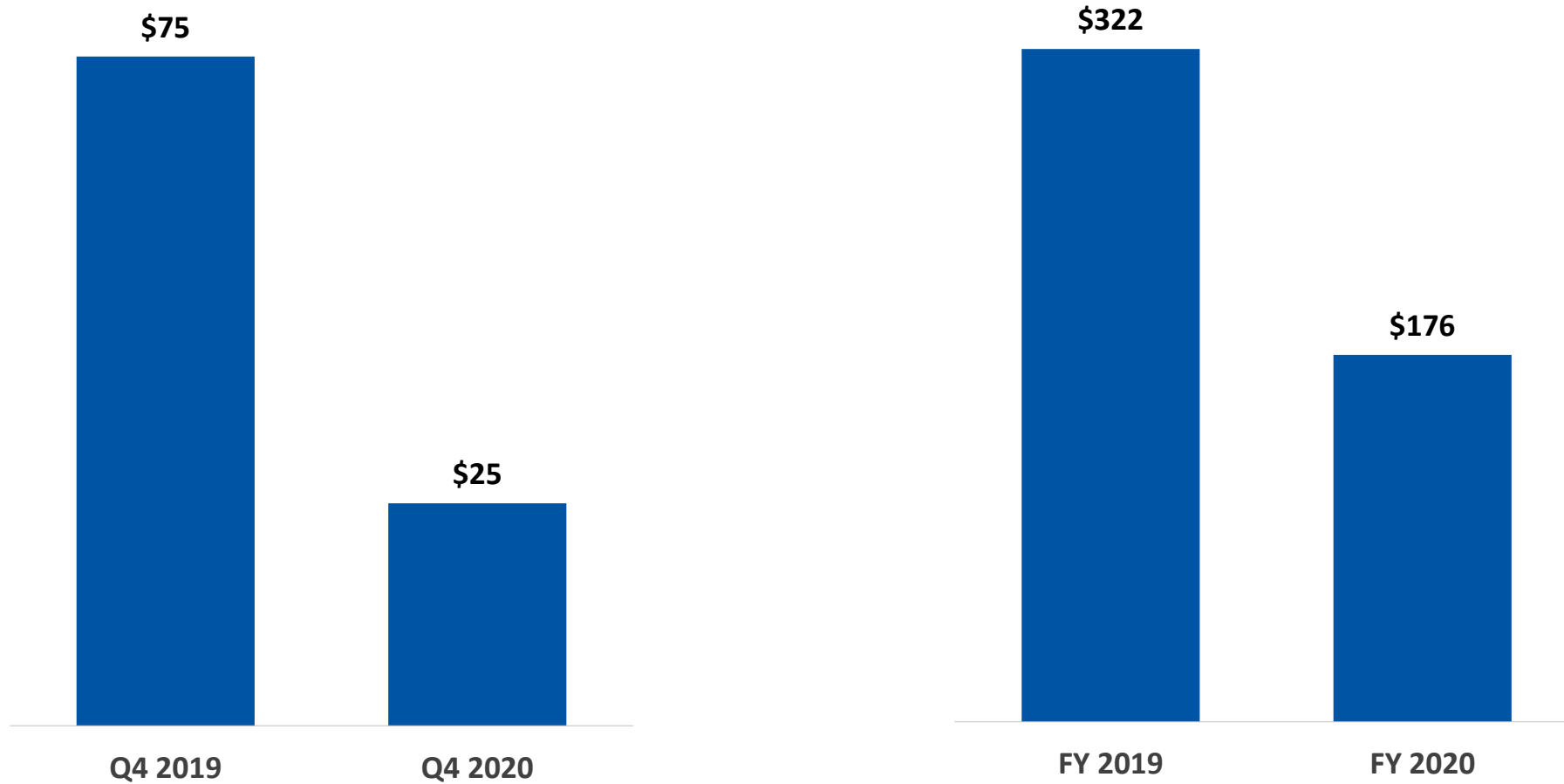


Consolidated Adjusted Operating Expenses (excluding bad debt provision)

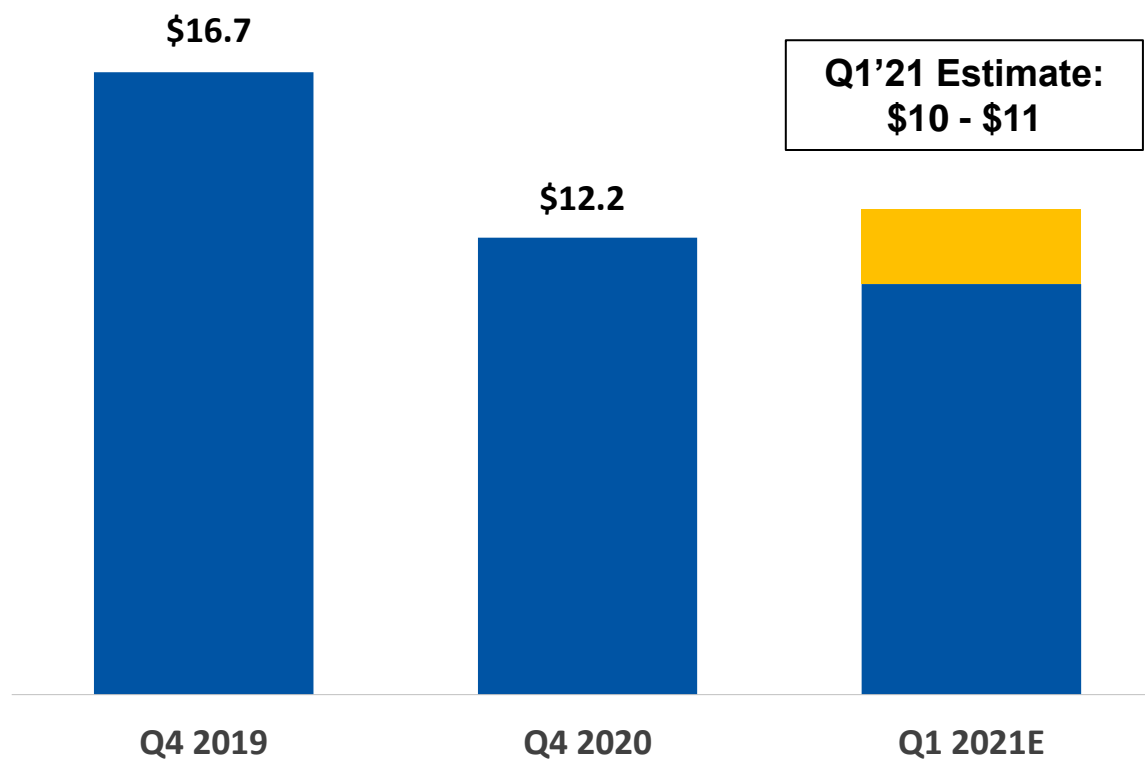
(\$ in millions)



Consolidated Adjusted Income From Operations (\$ in millions)



Interest Expense (\$ in millions)



Balance Sheet Management

Total Accounts Receivable

\$1.2 Billion at quarter end

Solid Operating Cash Flow Generation

\$114 million generated in the fourth quarter

\$604 million generated for the full year

Return to Shareholders

Repurchased \$68 million of common stock in 2020

Paid \$26 million in regular dividends to shareholders in 2020



Financial Overview

- 2020 was a tough and unprecedented year
- We reacted quickly on expenses and as well as credit risk
- We strengthened our balance sheet by reducing debt by more than \$575 million
- We have the capital to invest to further strengthen multiple areas of our business



Questions + Answers

Earnings Reconciliation

(\$ in millions except per share data)

	Q4 2019			Q4 2020		
	As Reported	Adjustments ¹	As Adjusted	As Reported	Adjustments ¹	As Adjusted
Aviation						
Gross Profit	\$139.8	(\$0.0)	\$139.8	\$70.3	\$0.1	\$70.4
Operating Expenses	71.3	(1.1)	70.2	53.0	(0.6)	52.3
Income from Operations	68.5	1.1	69.6	17.3	0.8	18.1
Marine						
Gross Profit	56.6	-	56.6	22.8	-	22.8
Operating Expenses	33.6	(0.1)	33.5	19.7	(0.6)	19.0
Income from Operations	22.9	0.1	23.0	3.1	0.6	3.7
Land						
Gross Profit	90.3	0.0	90.3	72.2	0.0	72.2
Operating Expenses	81.5	(2.3)	79.2	53.8	(1.8)	52.0
Income from Operations	8.8	2.3	11.1	18.4	1.8	20.2
Corporate (Unallocated)						
Operating Expenses	39.7	(11.3)	28.4	22.4	(5.5)	17.0
Income from Operations	(39.7)	11.3	(28.4)	(22.4)	5.5	(17.0)
WFS						
Gross Profit	286.6	0.0	286.6	165.2	0.2	165.4
Operating Expenses	226.1	(14.8)	211.3	148.8	(8.5)	140.4
Income from Operations	60.5	14.8	75.3	16.4	8.6	25.0
Non-operating expense, net	3.0	13.9	16.9	17.1	-	17.1
Income before income taxes	57.5	0.9	58.4	(0.7)	8.6	7.9
Provision for income taxes	0.7	0.2	0.9	3.0	4.0	7.0
Net income (loss) attributable to noncontrolling interest	0.3	-	0.3	(0.2)	-	(0.2)
Net income	\$56.5	\$0.7	\$57.2	(\$3.6)	\$4.7	\$1.1
Diluted earnings per common share	\$0.86	\$0.01	\$0.87	(\$0.06)	\$0.07	\$0.02

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

Earnings Reconciliation

(\$ in millions except per share data)

	For the Year Ended December 31, 2019			For the Year Ended December 31, 2020		
	As Reported	Adjustments ¹	As Adjusted	As Reported	Adjustments ¹	As Adjusted
Aviation						
Gross Profit	\$551.6	\$0.0	\$551.6	\$352.9	\$0.1	\$353.1
Operating Expenses	267.6	(2.8)	264.8	268.4	(10.6)	257.7
Income from Operations	283.9	2.8	286.7	84.5	10.8	95.3
Marine						
Gross Profit	181.5	-	181.5	151.4	-	151.4
Operating Expenses	114.4	(1.6)	112.8	92.8	(6.2)	86.6
Income from Operations	67.1	1.6	68.7	58.5	6.2	64.7
Land						
Gross Profit	378.9	0.3	379.2	347.6	0.0	347.6
Operating Expenses	323.9	(5.1)	318.8	275.0	(11.3)	263.7
Income from Operations	55.0	5.4	60.4	72.6	11.3	83.9
Corporate (Unallocated)						
Operating Expenses	106.4	(12.4)	94.0	77.8	(9.4)	68.4
Income from Operations	(106.4)	12.4	(94.0)	(77.8)	9.4	(68.4)
WFS						
Gross Profit	1,112.0	0.3	1,112.3	851.8	0.2	852.0
Operating Expenses	812.3	(21.9)	790.4	714.0	(37.5)	676.5
Income from Operations	299.7	22.2	321.8	137.9	37.7	175.5
Non-operating expense, net	62.4	13.4	75.8	(23.9)	80.0	56.1
Income before income taxes	237.3	8.7	246.0	161.7	(42.3)	119.4
Provision for income taxes	56.2	2.0	58.3	52.1	(6.3)	45.8
Net income (loss) attributable to noncontrolling interest	2.2	-	2.2	0.1	-	0.1
Net income	\$178.9	\$6.7	\$185.6	\$109.6	(\$36.0)	\$73.6
Diluted earnings per common share	\$2.69	\$0.10	\$2.79	\$1.71	(\$0.56)	\$1.15

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