World Kinect

corp.worldkinect.com

Q4 2023 Earnings Call

February 22, 2024

Disclaimer and Cautionary Note Regarding Forward-Looking Statements

Certain statements, including comments about World Kinect Corporation’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 Kinect’s actual results to materially differ from the forward-looking information. The forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe," "anticipate," "expect," "estimate," "project," "could," "would," "will," "will be," "will continue," "plan," or words or phrases of similar meaning. Specifically, this presentation includes forward-looking statements regarding expectations regarding our future plans and performance, including our future expenses and effective tax rate, and our strategic plans. These forward-looking statements are qualified in their entirety by cautionary statements and risk factor disclosures contained in our SEC filings. These forward-looking statements are estimates and projections reflecting our best judgment and involve risks, uncertainties or other factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Although we believe the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect. Our actual results may differ materially from the future results, performance or achievements expressed or implied by the forward-looking statements.

Important factors that could cause actual results to differ materially from the results and events anticipated or implied by such forward-looking statements include, but are not limited to: customer and counterparty creditworthiness and our ability to collect accounts receivable and settle derivative contracts; changes in the market prices of energy or commodities or extremely high or low fuel prices that continue for an extended period of time; adverse conditions in the industries in which our customers operate; our inability to effectively mitigate certain financial risks and other risks associated with derivatives and our physical fuel products; our ability to achieve the expected level of benefit from our restructuring activities and cost reduction initiatives; relationships with our employees and potential labor disputes associated with employees covered by collective bargaining agreements; our failure to comply with restrictions and covenants governing our outstanding indebtedness; the impact of cyber and other information security related incidents; changes in the political, economic or regulatory environment generally and in the markets in which we operate, such as the current conflicts in Eastern Europe and the Middle East; greenhouse gas reduction programs and other environmental and climate change legislation adopted by governments around the world, including cap and trade regimes, carbon taxes, increased efficiency standards and mandates for renewable energy, each of which could increase our operating and compliance costs as well as adversely impact our sales of fuel products; changes in credit terms extended to us from our suppliers; non-performance of suppliers on their sale commitments and customers on their purchase commitments; non-performance of third-party service providers; our ability to effectively integrate and derive benefits from acquired businesses; our ability to meet financial forecasts associated with our operating plan; lower than expected cash flows and revenues, which could impair our ability to realize the value of recorded intangible assets and goodwill; the availability of cash and sufficient liquidity to fund our working capital and strategic investment needs; currency exchange fluctuations; inflationary pressures and their impact on our customers or the global economy, including sudden or significant increases in interest rates or a global recession; our ability to effectively leverage technology and operating systems and realize the anticipated benefits; failure to meet fuel and other product specifications agreed with our customers; environmental and other risks associated with the storage, transportation and delivery of petroleum products; reputational harm from adverse publicity arising out of spills, environmental contamination or public perception about the impacts on climate change by us or other companies in our industry; risks associated with operating in high-risk locations, including supply disruptions, border closures and other logistical difficulties that arise when working in these areas; uninsured or underinsured losses; seasonal variability that adversely affects our revenues and operating results, as well as the impact of natural disasters, such as earthquakes, hurricanes and wildfires; declines in the value and liquidity of cash equivalents and investments; our ability to retain and attract senior management and other key employees; changes in U.S. or foreign tax laws, interpretations of such laws, changes in the mix of taxable income among different tax jurisdictions, or adverse results of tax audits, assessments, or disputes; our failure to generate sufficient future taxable income in jurisdictions with material deferred tax assets and net operating loss carryforwards; changes in multilateral conventions, treaties, tariffs or other arrangements between or among sovereign nations, including the U.K.'s exit from the European Union; our ability to comply with U.S. and international laws and regulations, including those related to anti-corruption, economic sanction programs and environmental matters; the outcome of litigation, regulatory investigations and other legal matters, including the associated legal and other costs; and other risks described from time to time in our SEC filings.

New risks emerge from time to time, and it is not possible for management to predict all such risk factors or to assess the impact of such risks on our business. Accordingly, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, changes in expectations, future events, or otherwise, except as required by law.

Non-GAAP Financial Measures

We believe that the non-GAAP financial measures (collectively, the “Non-GAAP Measures”), when considered in conjunction with our financial information prepared in accordance with GAAP, are useful to investors to further aid in evaluating the ongoing financial performance of the Company and to provide greater transparency as supplemental information to our GAAP results. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition, our presentation of the non-GAAP financial measures may not be comparable to the presentation of such metrics by other companies.

The Non-GAAP Measures exclude acquisition and divestiture related expenses, restructuring charges, impairments, gains or losses on the extinguishment of debt, gains or losses on sale of businesses, integration costs associated with our acquisitions, and non-operating legal settlements primarily because we do not believe they are reflective of our core operating results. We also exclude costs associated with a previously disclosed erroneous bid made in the Finnish power market (the "Finnish bid error") that resulted in the extraordinary losses.

We use the following non-GAAP measures:

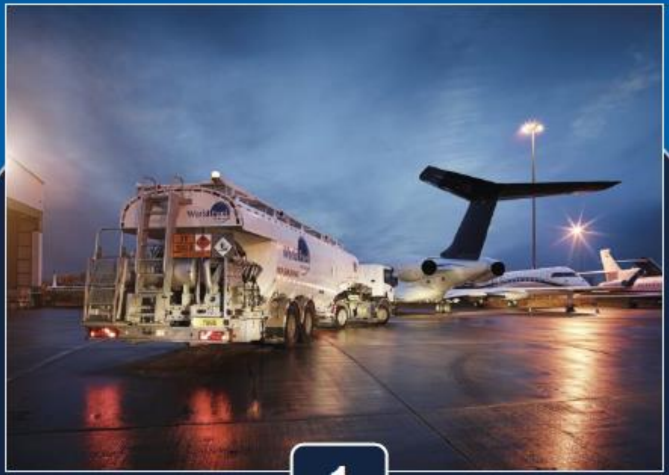
- Adjusted net income attributable to World Kinect ("adjusted net income") is defined as net income excluding the impact of acquisition and divestiture related expenses, restructuring charges, impairments, gains or losses on the extinguishment of debt, gains or losses on sale of businesses, integration costs, non-operating legal settlements, and costs associated with the Finnish bid error.
- Adjusted diluted earnings per common share is computed by dividing adjusted net income by the sum of the weighted average number of shares of common stock outstanding for the period and the number of additional shares of common stock that would have been outstanding if our outstanding potentially dilutive securities had been issued. Potentially dilutive securities include share-based compensation awards, such as non-vested restricted stock units, performance stock units where the performance requirements have been met and settled stock appreciation rights awards.
- Adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA") is defined as net income (loss) excluding the impact of interest, income taxes, and depreciation and amortization, in addition to acquisition and divestiture related expenses, restructuring charges, impairments, gains or losses on sale of businesses, integration costs, non-operating legal settlements, and costs associated with the Finnish bid error.
- Adjusted income from operations is defined as Income from operations excluding the impact of acquisition and divestiture related expenses, restructuring charges, impairments, integration costs, and costs associated with the Finnish bid error.
- Consolidated and Land adjusted gross profit is defined as Gross profit excluding the impact of costs associated with the Finnish bid error.
- Adjusted income from operations as a percentage of adjusted gross profit ("adjusted operating margin") is computed by dividing adjusted income from operations by adjusted gross profit.
- Adjusted operating expenses is defined as Operating expenses excluding the impact of acquisition and divestiture related expenses, restructuring charges, impairments, integration costs, and costs associated with the Finnish bid error.
- Adjusted effective tax rate is computed by dividing the adjusted provision for income taxes by adjusted income before income taxes. Adjusted provision for income taxes is defined as provision for income taxes, determined in accordance with GAAP, excluding the tax impact of the items excluded from our non-GAAP measures. Adjusted income before income tax is defined as income before income tax excluding the impact of acquisition and divestiture related expenses, restructuring charges, impairments, gains or losses on the extinguishment of debt, gains or losses on sale of businesses, integration costs, non-operating legal settlements, and costs associated with the Finnish bid error.
- Net Debt is defined as total debt less cash divided by adjusted EBITDA.

Investors are encouraged to review the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures in this presentation and on our website.

Business Overview

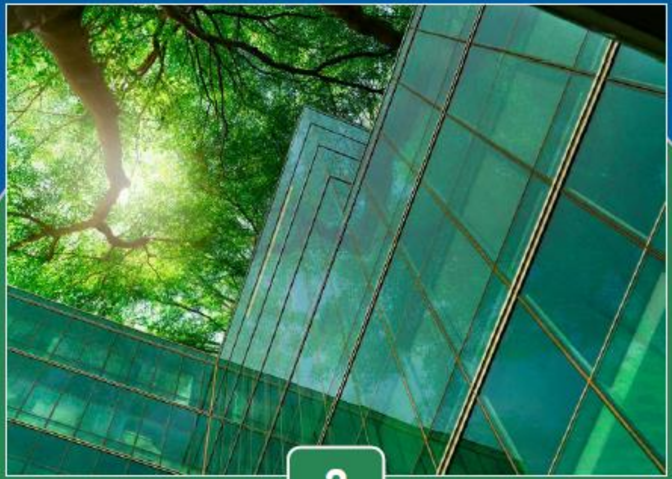
Michael J. Kasbar
Chairman & CEO

We Expect to Accelerate Growth and Diversify our Earnings Across our Three Segments Through our Three-Pillar Strategic Framework



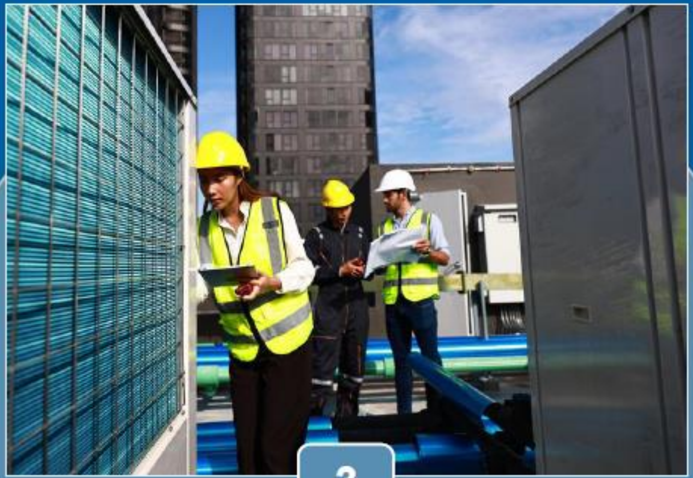
1

Drive Growth & Efficiencies in our Core Distribution Platform



2

Increase Availability of Renewable Energy and Lower-Carbon Fuels



3

Expand Our Suite of Energy-Management Solutions

We Look Forward to Discussing this and more at our Upcoming Investor Day on March 13, 2024

REGISTER NOW

World Kinect Corporation
2024 Investor Day

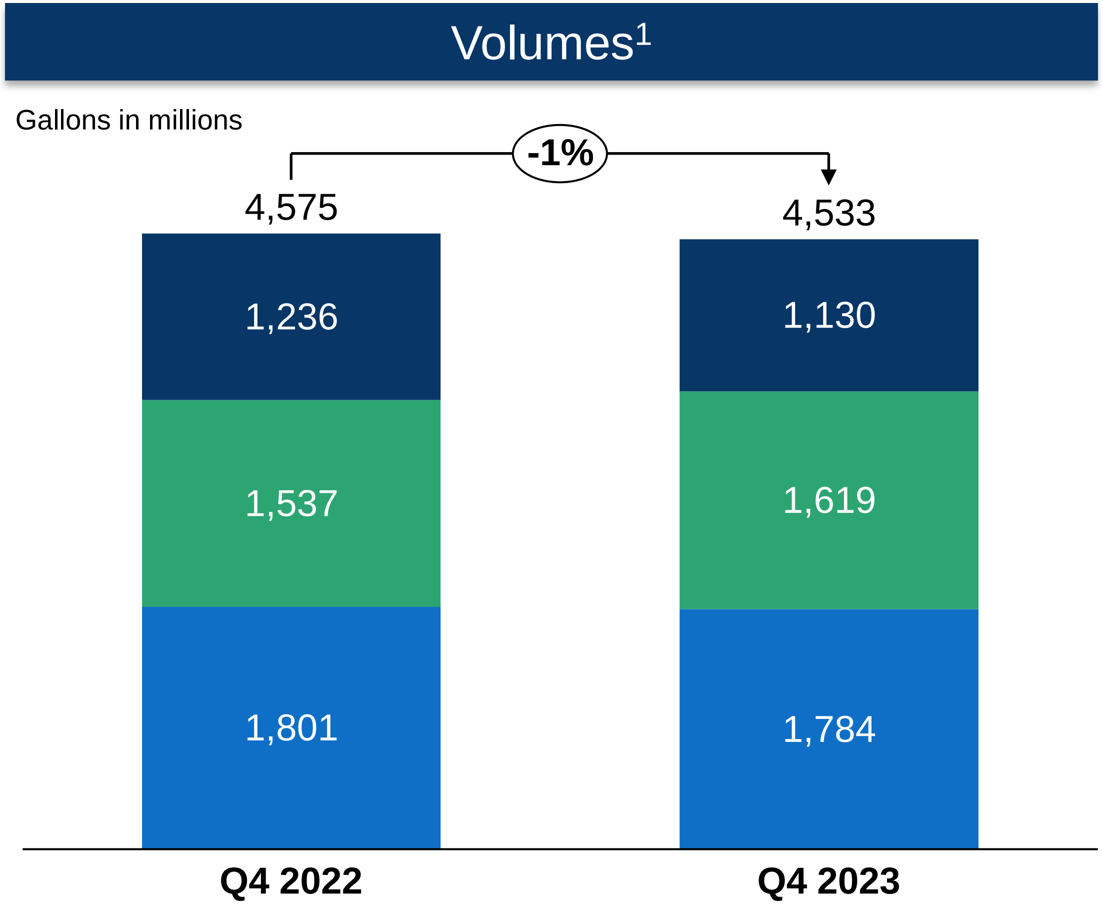
March 13 – 9:00 AM ET

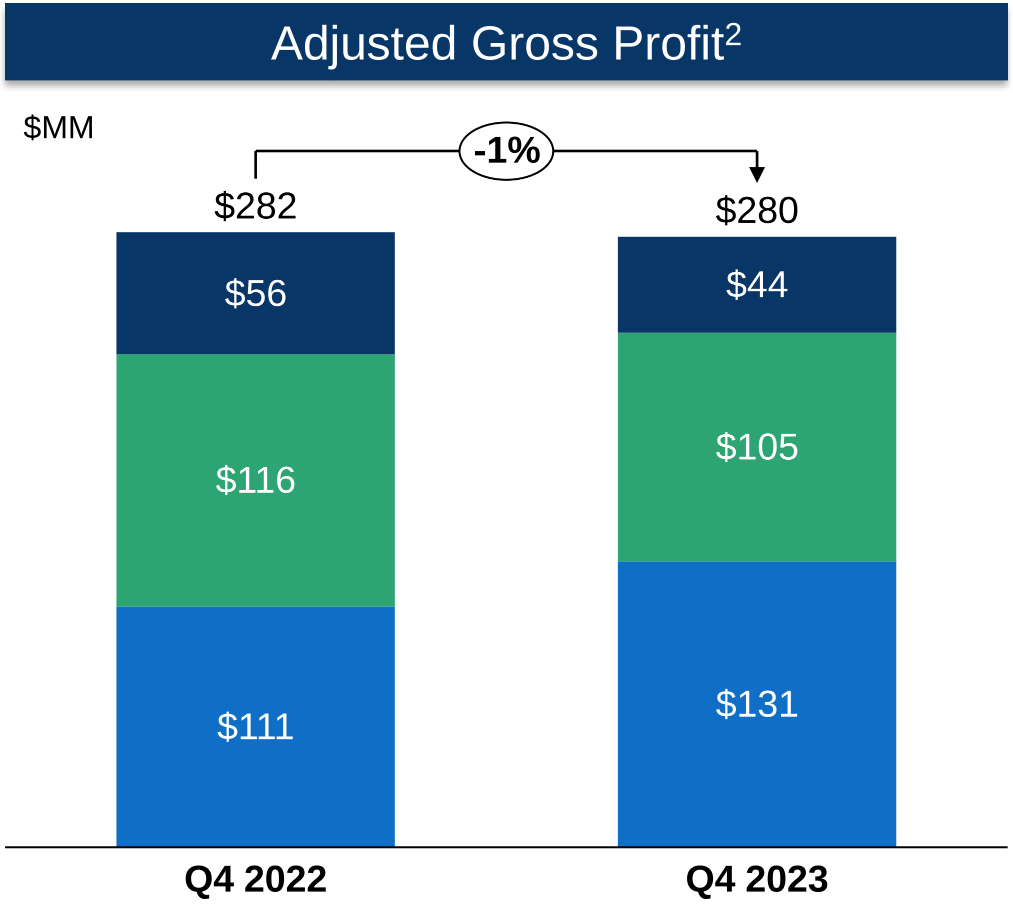
JW Marriott Essex House – New York City
In-person and via webcast

Financial Overview

Ira M. Birns
Executive Vice President &
CFO

Q4 2023 Results



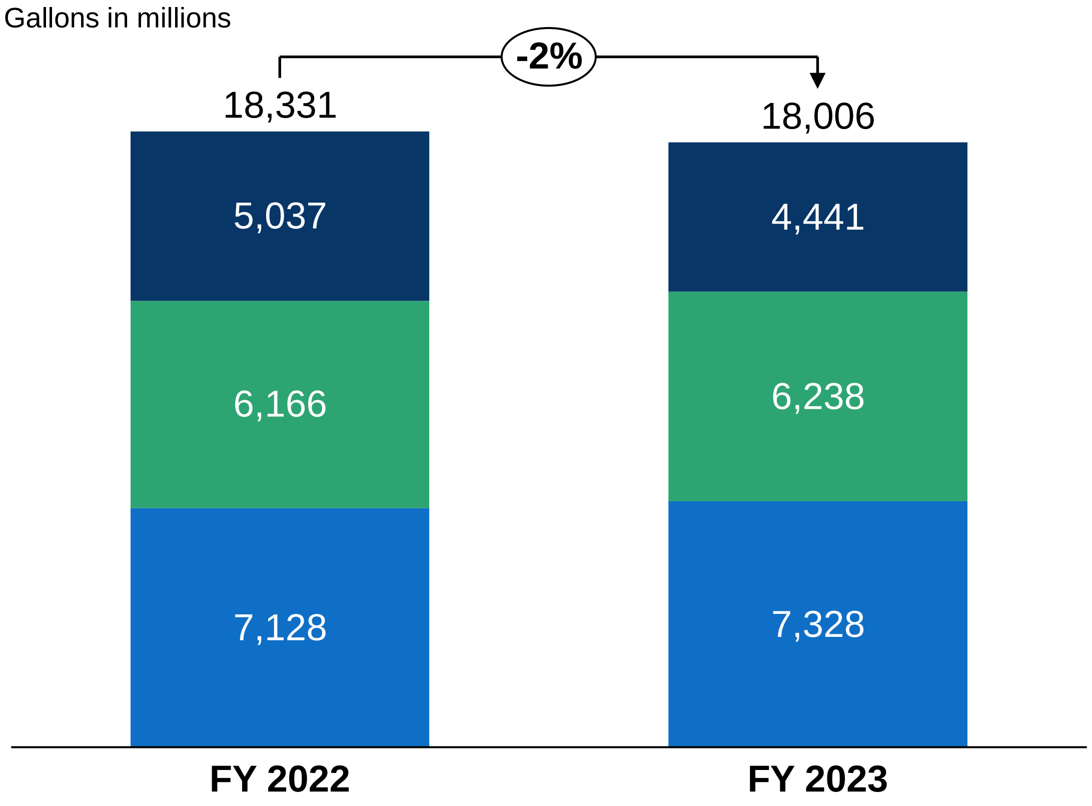


Aviation Land Marine

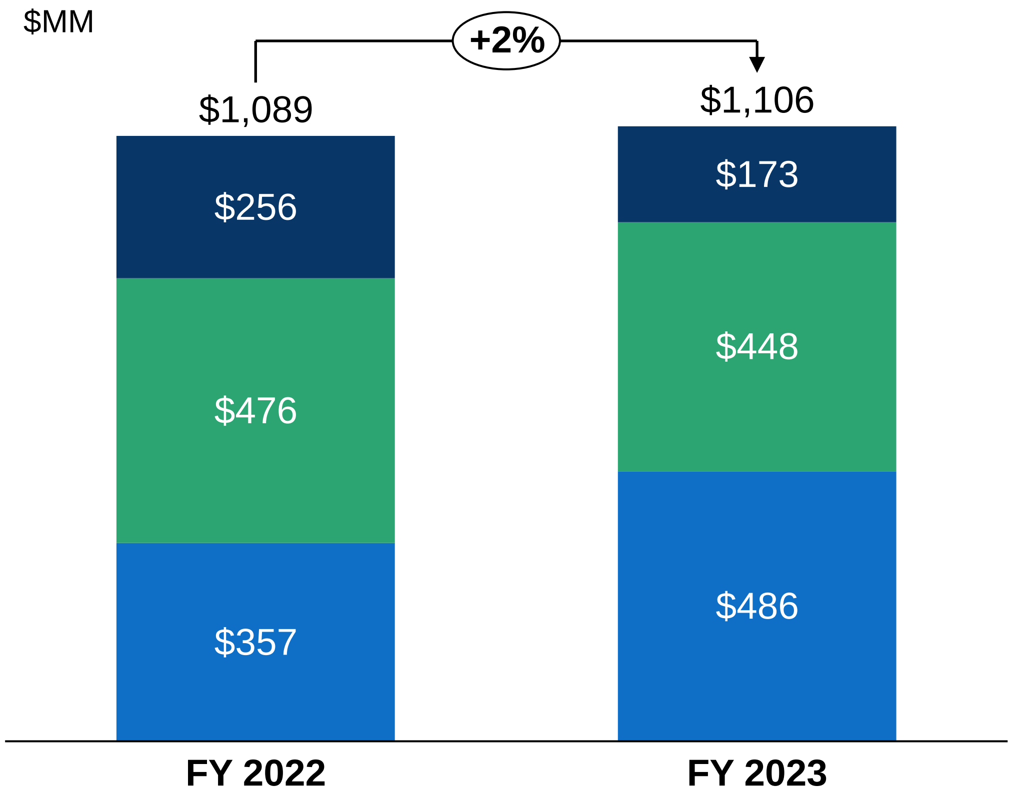
Note:
1. *Includes gallons and gallon equivalents.*
2. *Adjusted Gross Profit is a non-GAAP financial measure. Please see the Appendix for a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures. Gross Profit in Q4 2022 was $282.4mm and in Q4 2023 was $232.4mm.*

Full Year 2023 Results

Volumes[1]



Adjusted Gross Profit[2]



Aviation Land Marine

Note:
1. *Includes gallons and gallon equivalents.*
2. *Adjusted Gross Profit is a non-GAAP financial measure. Please see the Appendix for a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures. Gross Profit in FY 2022 was $1,089mm and in FY 2023 was $1,058mm.*

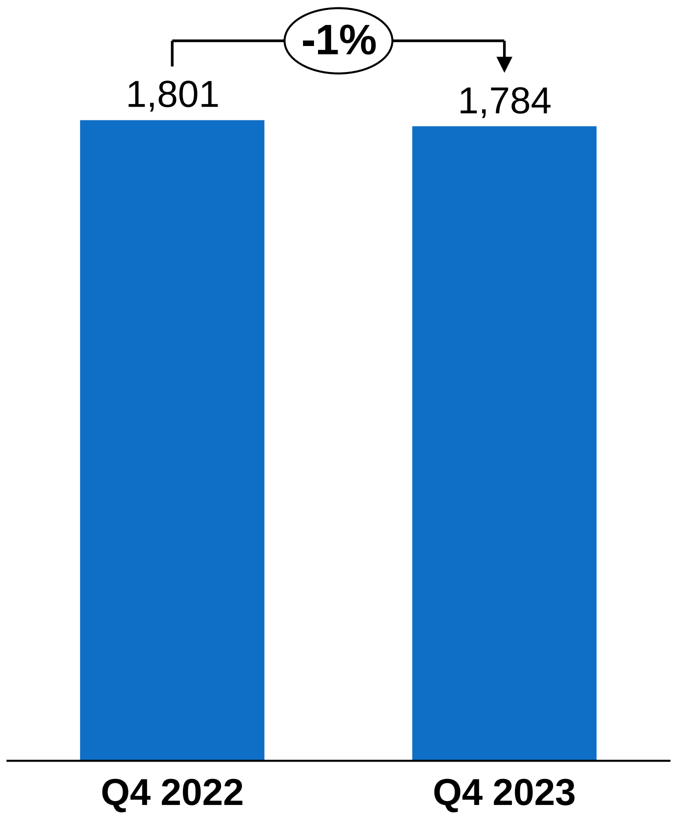
Segment Overview: Aviation – Q4 2023 Highlights

Q4 2023 Highlights versus Q4 2022

The 19% increase in Gross Profit was driven primarily by our continued focus on improving returns in an elevated interest rate environment.

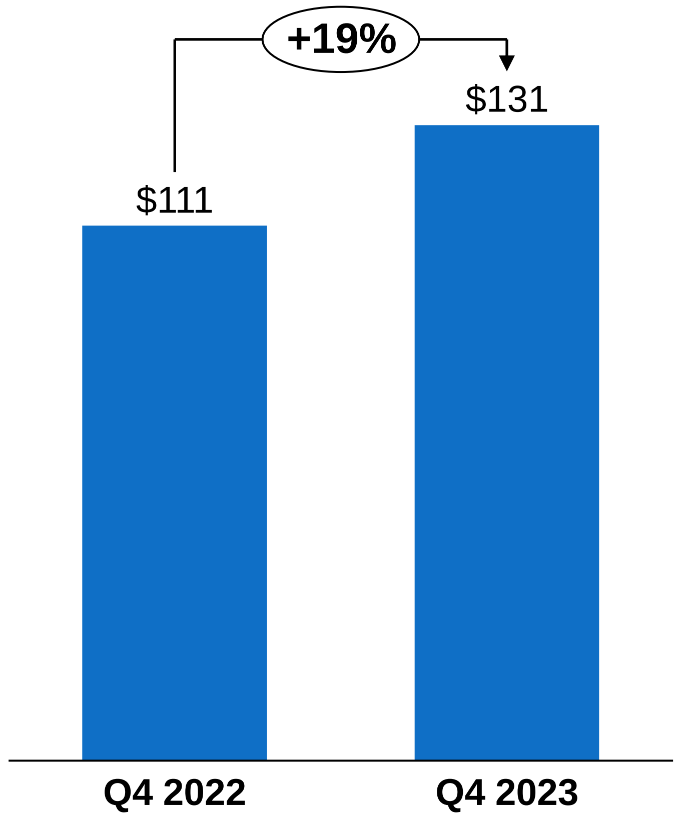
Volumes

Gallons in millions



Gross Profit

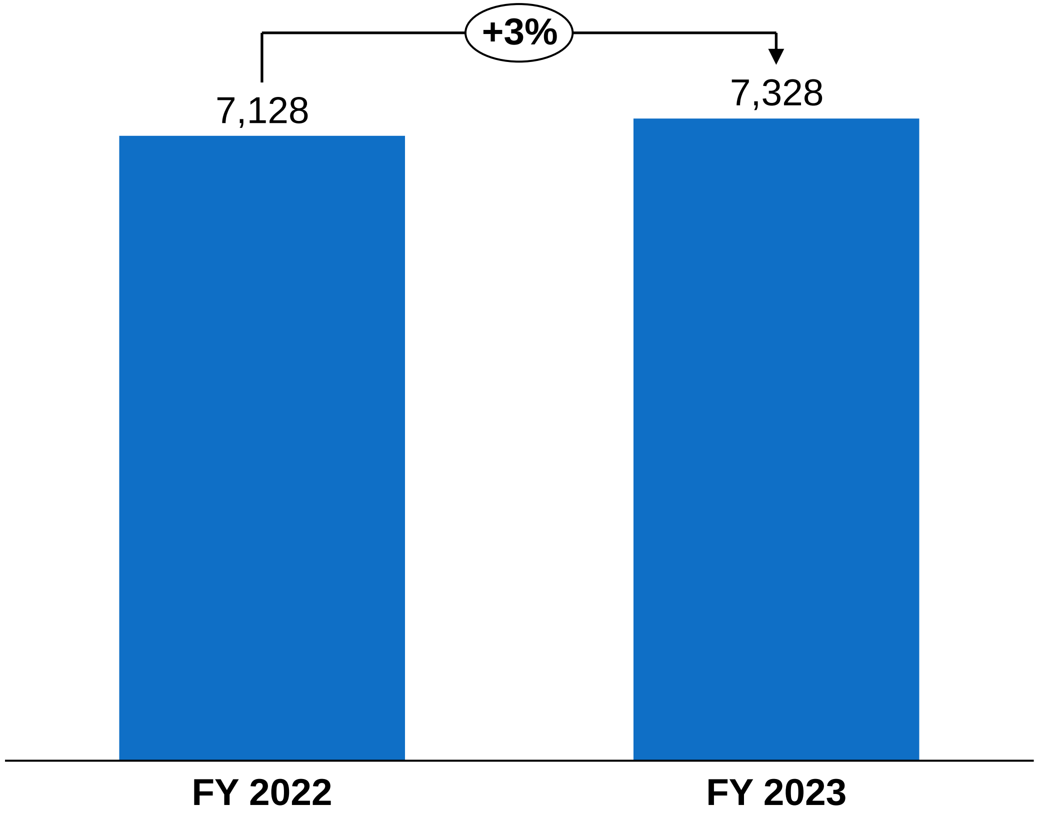
$MM



Segment Overview: Aviation – FY 2023

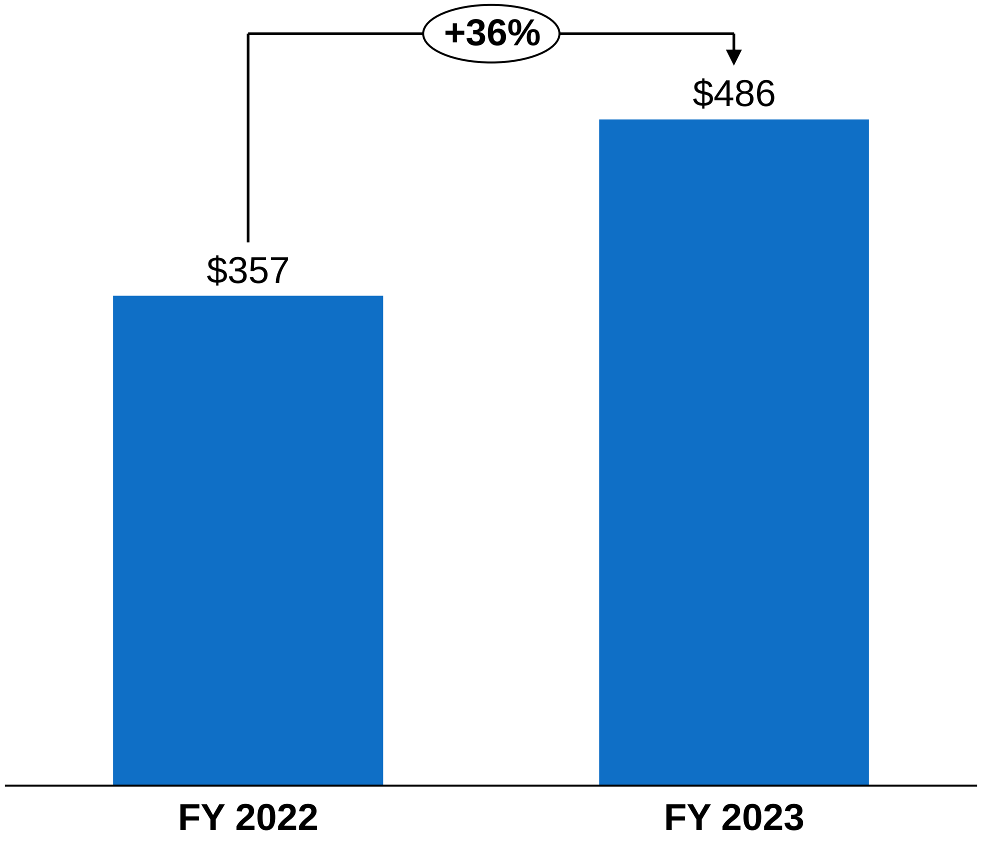
Volumes

Gallons in millions



Gross Profit

$MM



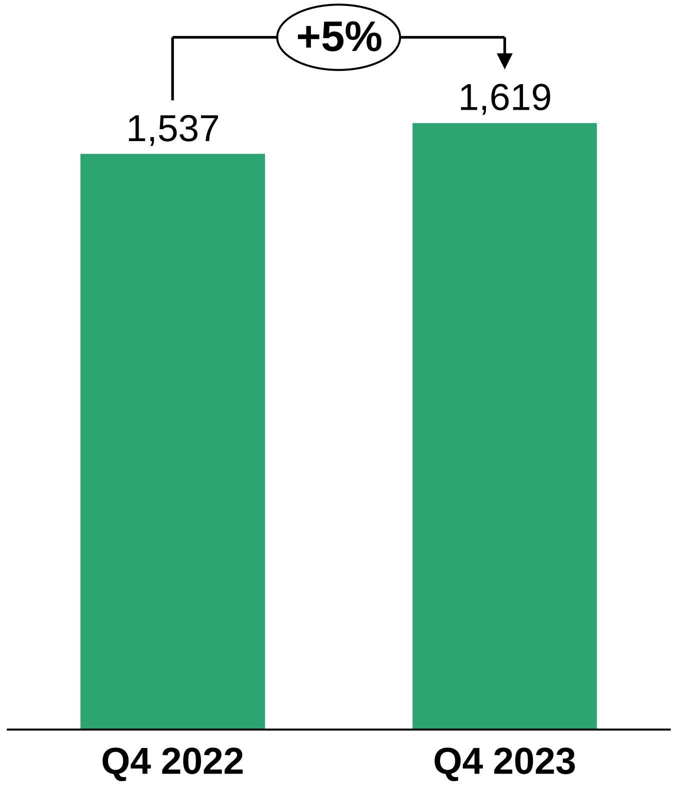
Segment Overview: Aviation - Q1 2024 Outlook

Q1 2024 Outlook versus Q1 2023
Expect a year-over-year increase in Gross Profit, driven by continued focus on optimizing margins and profitability across our Aviation business.

Segment Overview: Land – Q4 2023 Highlights

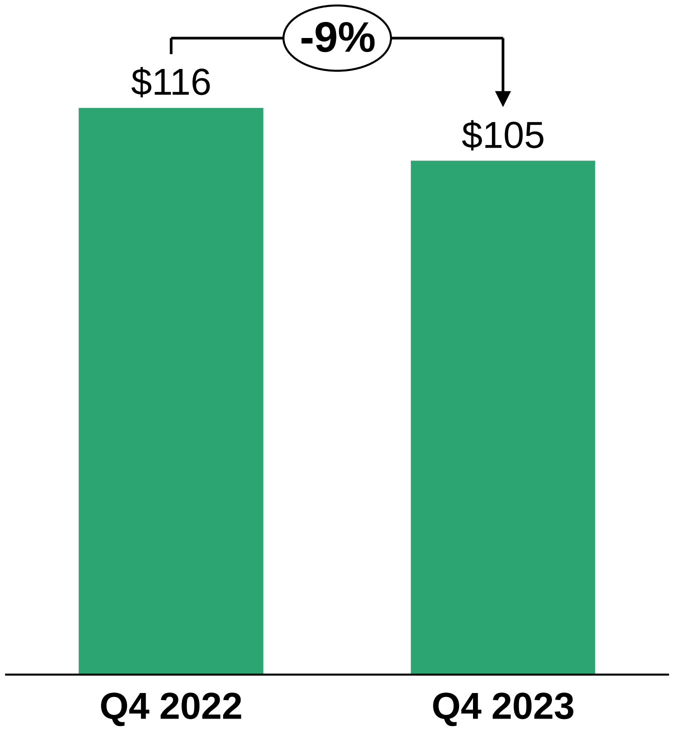
Volumes[1]

Gallons in millions



Adjusted Gross Profit[2]

$MM



Q4 2023 Highlights versus Q4 2022

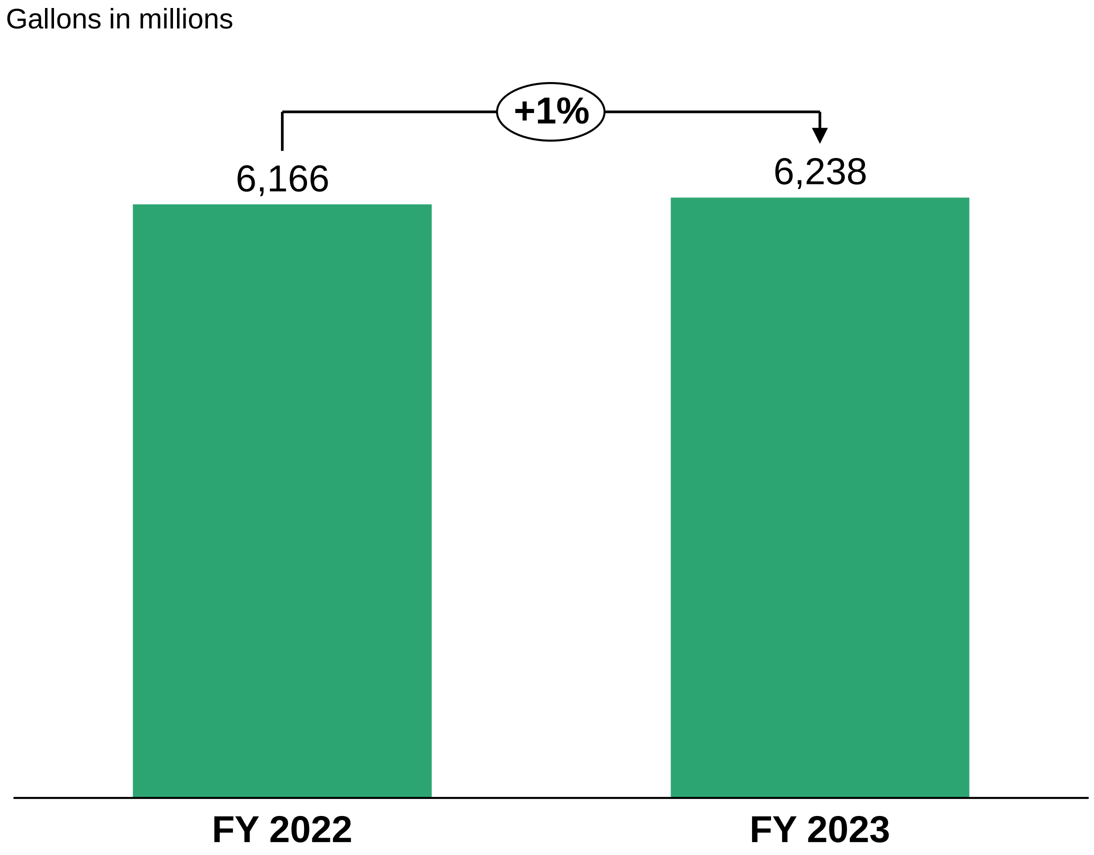
Adjusted gross profit down largely from margin pressure in the US and lower contributions from the UK, partially offset by strength in our natural gas activities and increased profitability related to our Sustainability offerings.

Note:

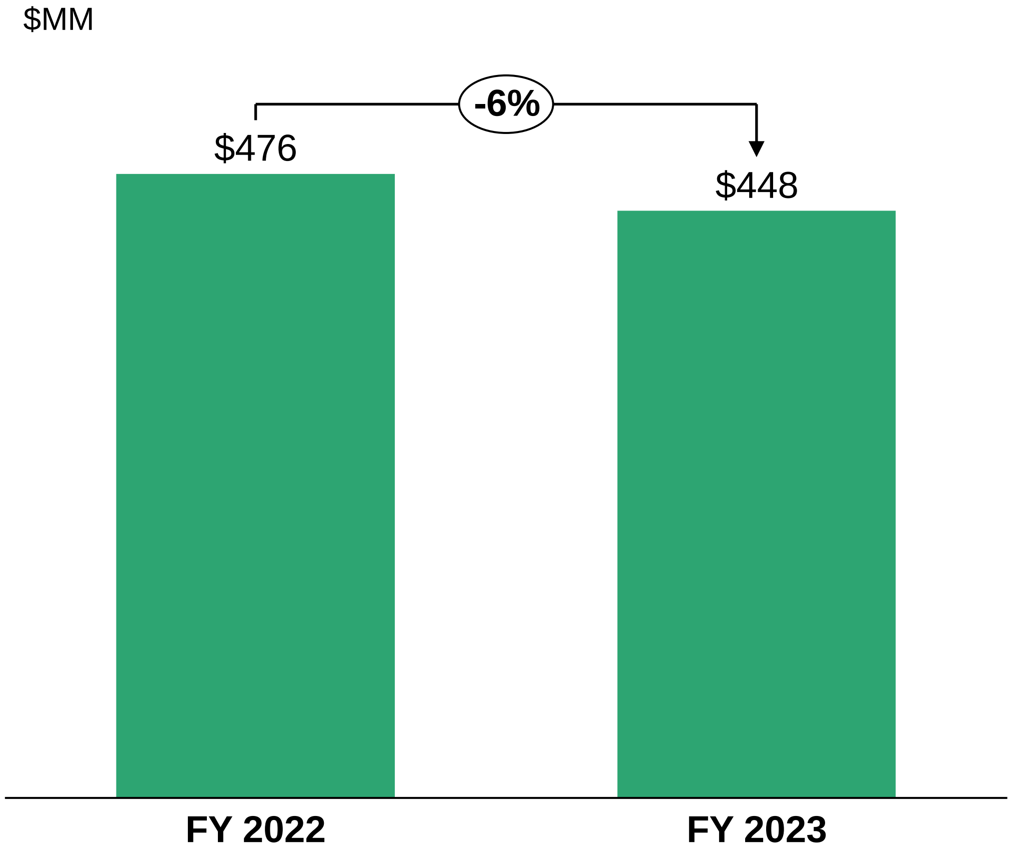
1. *Includes gallons and gallon equivalents.*
2. *Adjusted Gross Profit is a non-GAAP financial measure. Please see the Appendix for a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures. Land Gross Profit in Q4 2022 was $115.8mm and in Q4 2023 was $57.0mm.*

Segment Overview: Land – FY 2023

Volumes[1]



Adjusted Gross Profit[2]



Note:
1. *Includes gallons and gallon equivalents.*
2. *Adjusted Gross Profit is a non-GAAP financial measure. Please see the Appendix for a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures. Land Gross Profit in FY 2022 was $475.9mm and in FY 2023 was $399.8mm.*

Segment Overview: Land - Q1 2024 Outlook

Q1 2024 Outlook versus Q1 2023

- Gross profit is expected to be up modestly, as commercial and industrial fuel sales are expected to rebound from weather-related weakness in Q1 2023.
- Stronger commercial & industrial sales are expected to be partially offset by reductions in in natural gas activity, driven in part by severe cold weather-related disruptions in mid-January.

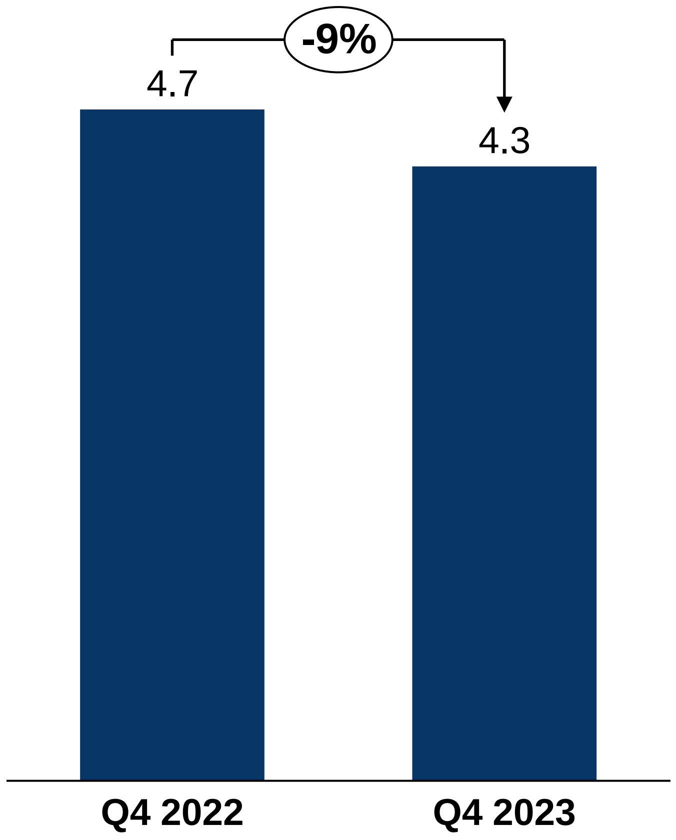
Segment Overview: Marine - Q4 2023 Highlights

Q4 2023 Highlights versus Q4 2022

Primary drivers of the 21% reduction in Gross Profit were lower volumes and bunker prices, coupled with a decline from higher volatility levels in the fourth quarter of 2022.

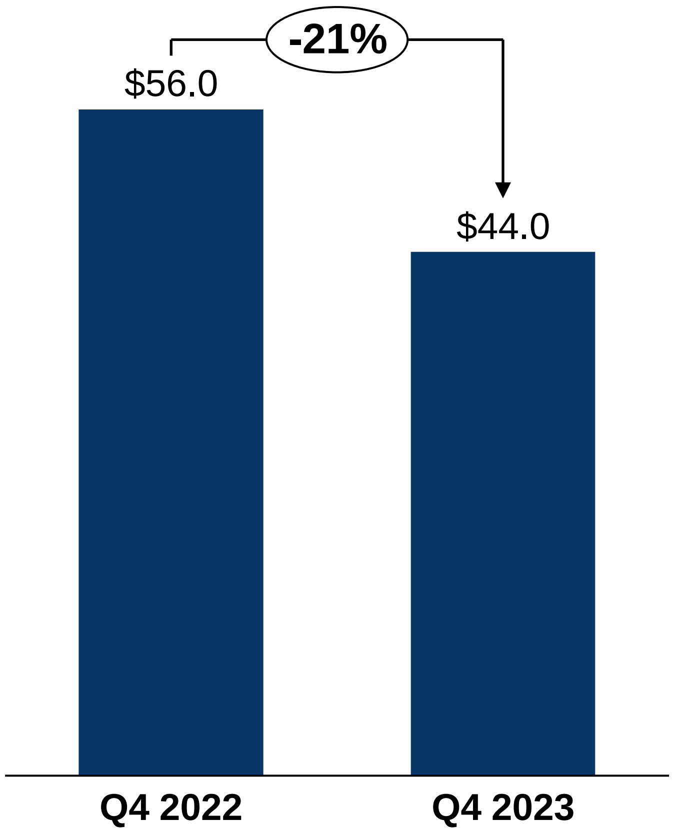
Volumes

Metric tons in millions



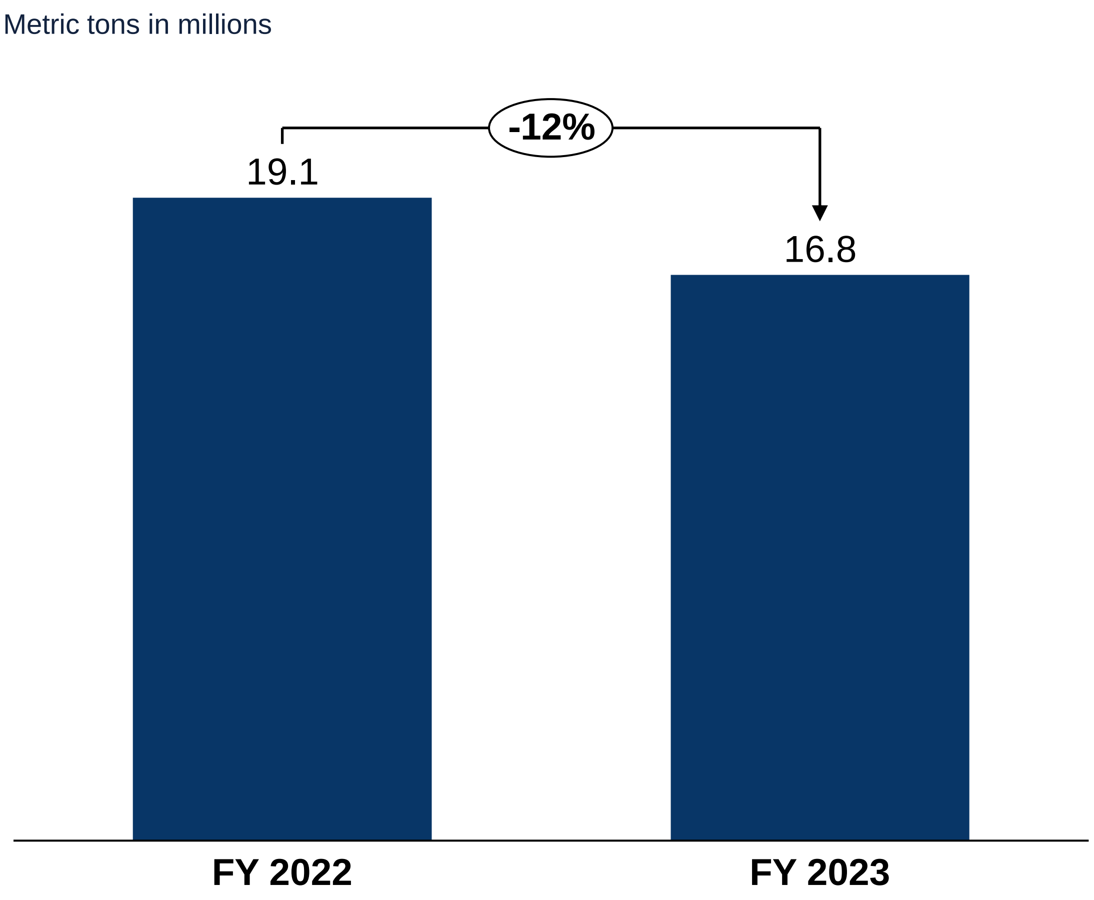
Gross Profit

$MM

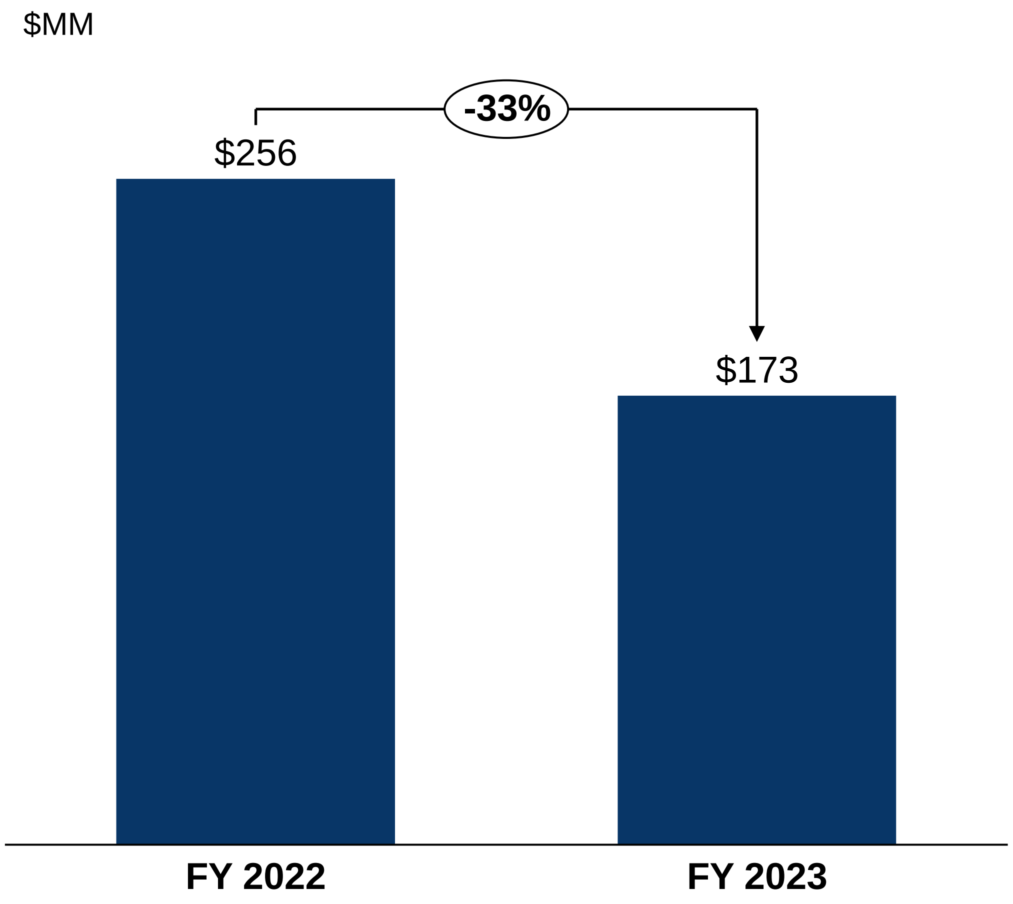


Segment Overview: Marine – FY 2023

Volumes



Gross Profit



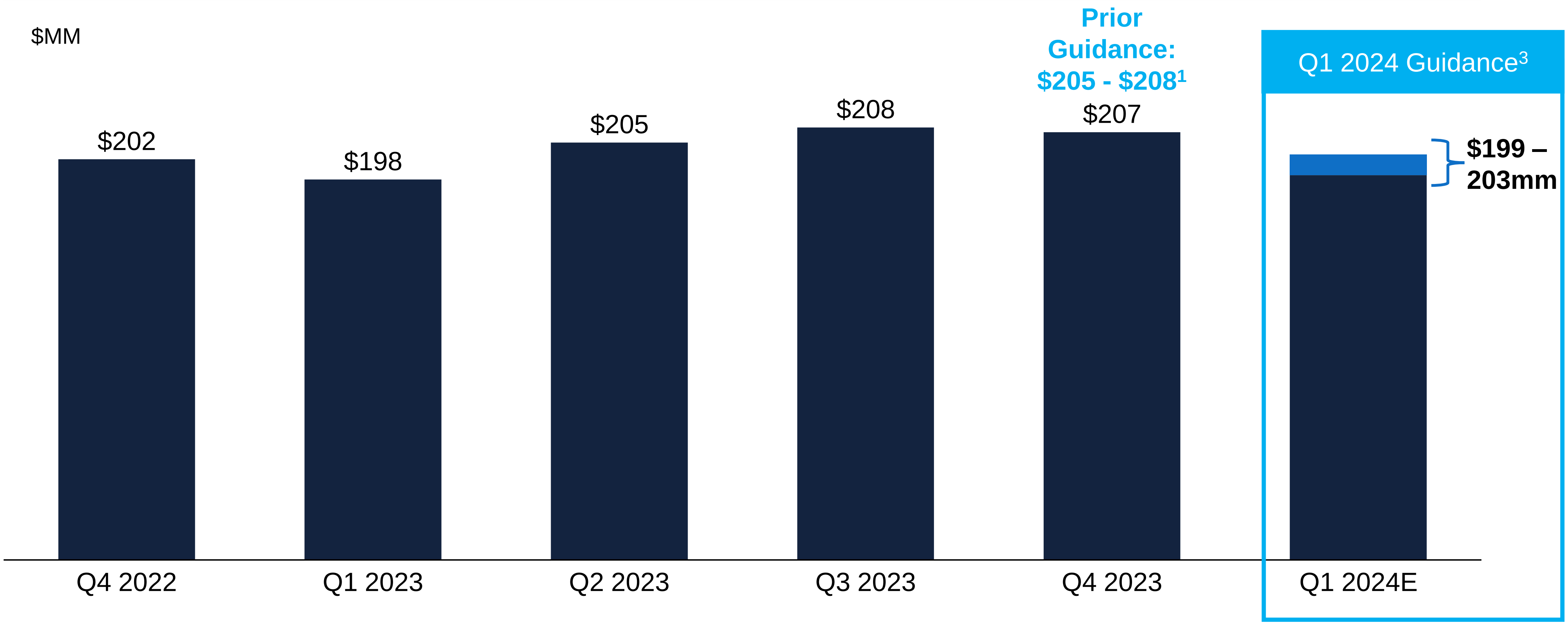
Segment Overview: Marine - Q1 2024 Outlook

Q1 2024 Outlook versus Q1 2023

- Results are expected to be flat sequentially with margins holding steady.
- Expect a decline in profitability compared to the first quarter of 2023, when volatility levels remained high.

Operating Expenses For Q4 2023 Were Below Guidance Range for the Quarter, and are Expected to Be Down Sequentially in Q1 2024

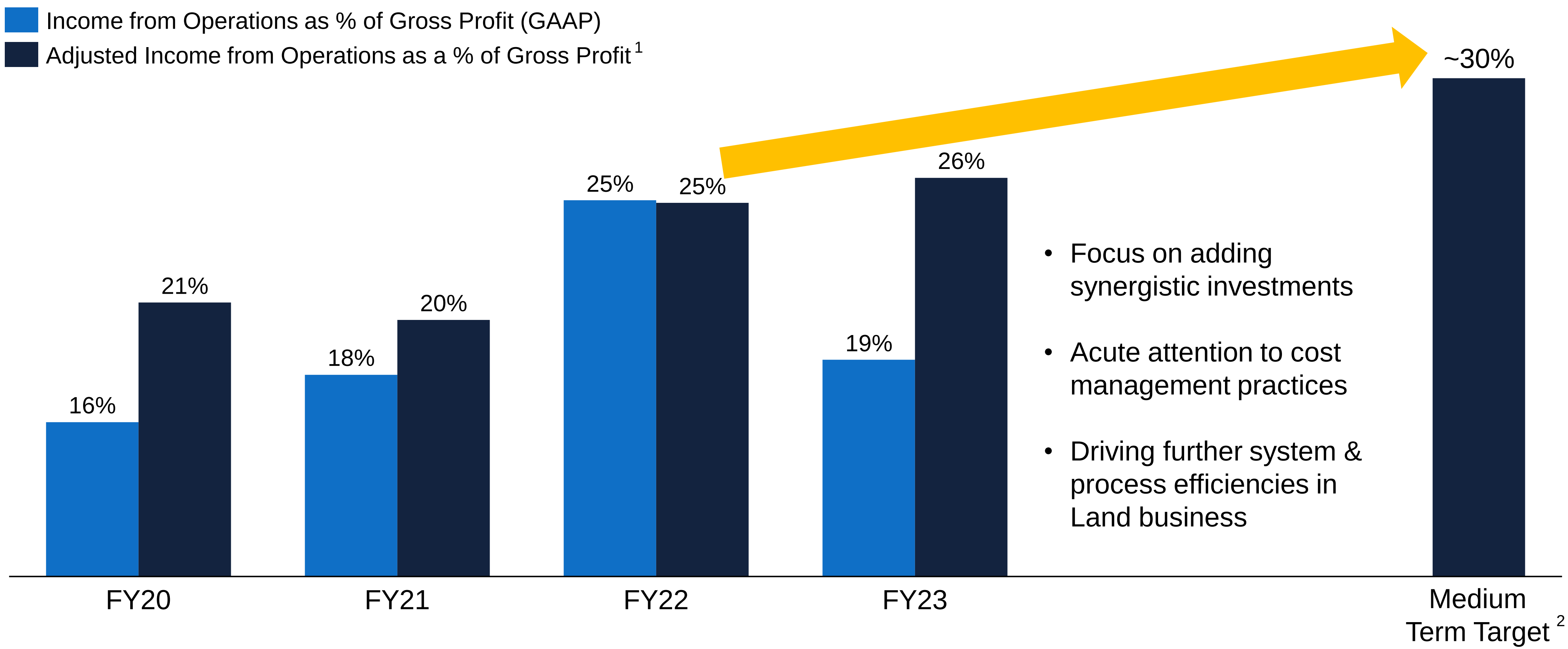
Total Adjusted Operating Expenses[2]



Note:
1. Guidance from Q3 2023 earnings provided on October 26, 2023.
2. Adjusted Operating Expenses is a non-GAAP financial measure. Please see the Appendix for a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measure.
3. Not a guarantee of actual future performance. Actual performance is subject to various risks and uncertainties, including those referenced in our Form 10-K and other filings with the SEC.

We Remain Committed to Achieving our Medium-Term Operating Margin Target established in FY22

Income from Operations as a Percentage of Gross Profit

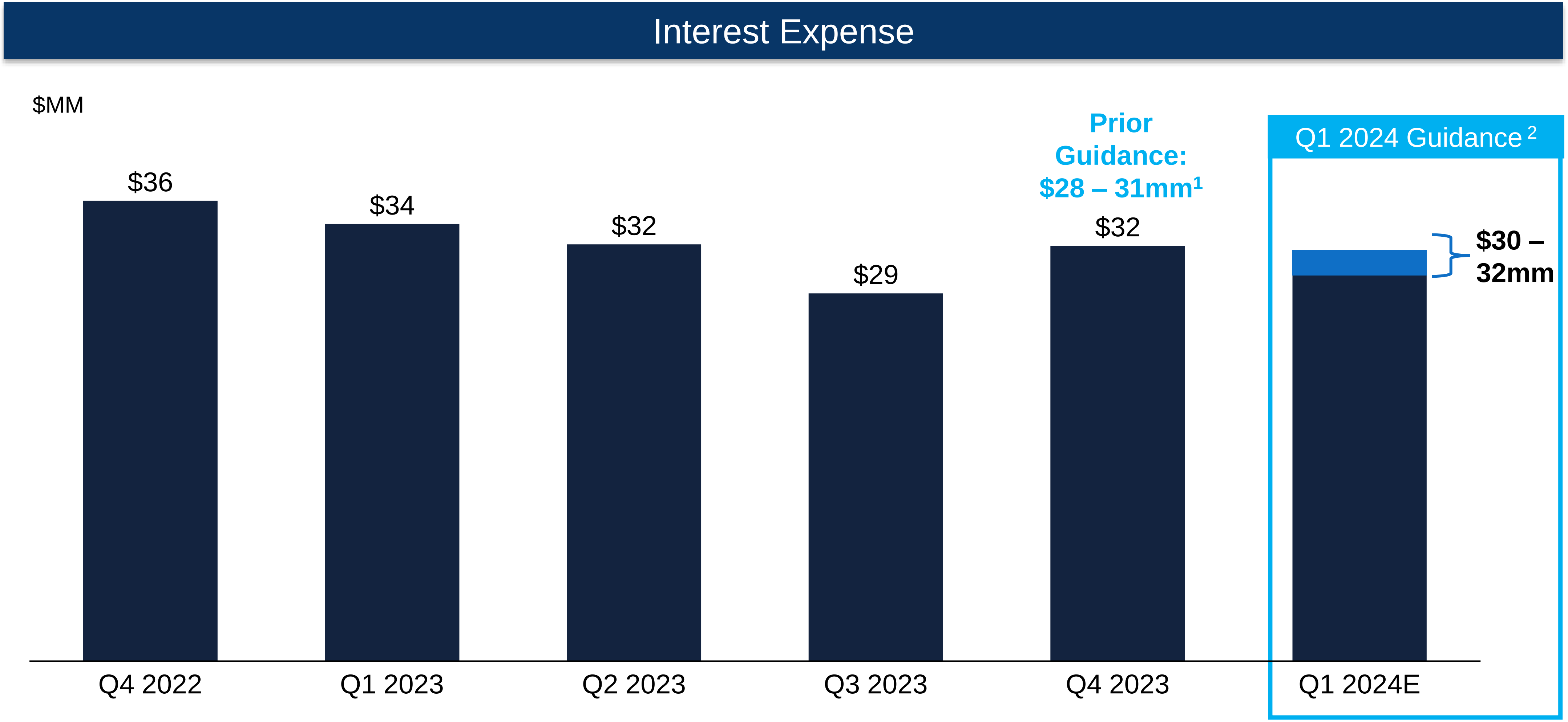


- Focus on adding synergistic investments
- Acute attention to cost management practices
- Driving further system & process efficiencies in Land business

Note:

1. *Adjusted Income from Operations as a percentage of Gross Profit is a non-GAAP financial measure. Please see the Appendix for a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measure.*
2. *Not a guarantee of actual future performance. Actual performance is subject to various risks and uncertainties, including those referenced in our Form 10-K and other filings with the SEC.*

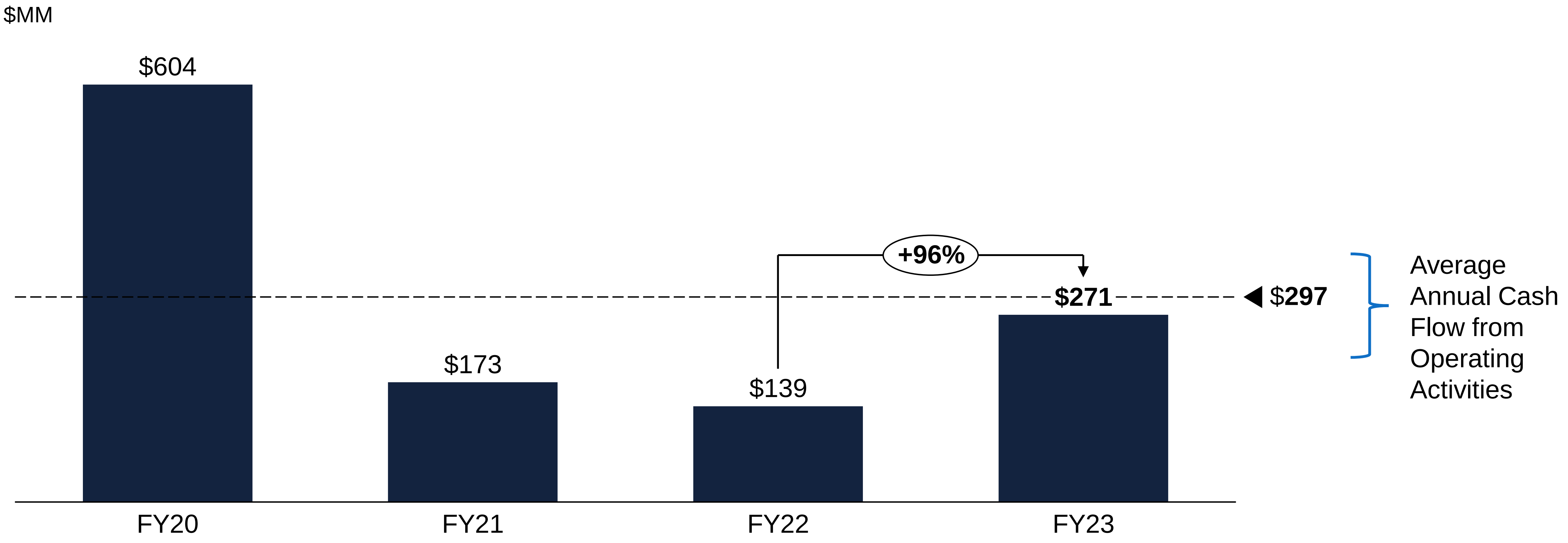
Year-over-Year Interest Expense Has Declined from 2022 Highs



Note:
1. *Guidance from Q3 2023 earnings provided on October 26, 2023.*
2. *Not a guarantee of actual future performance. Actual performance is subject to various risks and uncertainties, including those referenced in our Form 10-K and other filings with the SEC.*

Strong Operating Cash Flow Provides Flexibility

Cash Flow from Operating Activities



... and Optimized Capital Allocation Framework Benefits Shareholders…

Capital Allocation Framework Supports Growth With Reasonable Leverage While Rewarding Our Shareholders

World Kinect

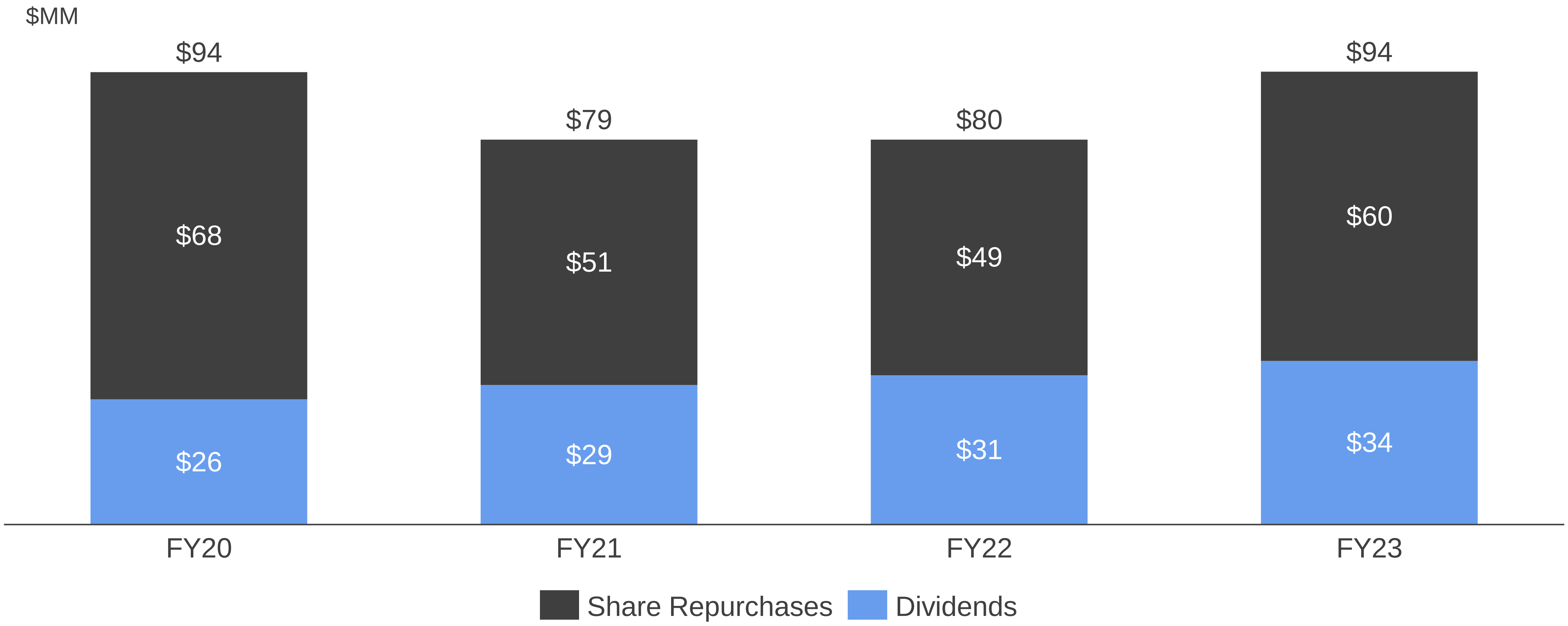
M&A
- Long term earnings and cash flow accretive acquisitions
- Opportunistic expansions

Attractive for Equity Holders
- Dividends
- Share buybacks

Strong Balance Sheet and Liquidity Position
- Low leverage through prudent capital management
- Maintain ample liquidity through business cycles

… as Evidenced by Total Capital Returned to Shareholders

Total Capital Returned to Shareholders[1,2]



Note:
1. *Numbers may not sum due to rounding.*
2. *Capital returned to shareholders through dividends and repurchases of common stock.*

Introducing 2024 Guidance Summary[1]

Guidance Period		As of February 22, 2024[3]
Q1 2024	Adj. Operating Expense[2]	$199 – 203mm
	Interest Expense	$30 – 32mm
FY 2024	Adj. Effective Tax Rate[2]	23 – 27%

Note:
1. *Not a guarantee of actual future performance. Actual performance is subject to various risks and uncertainties, including those referenced in our Form 10-K and other filings with the SEC.*
2. *Adjusted Operating Expenses and Adjusted Effective Tax Rate are non-GAAP financial measures. Please see the Appendix for a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measure.*
3. *Guidance from Q4 2023 earnings provided on February 22, 2024.*

We Look Forward to Discussing this and more at our Upcoming Investor Day on March 13, 2024

REGISTER NOW

World Kinect Corporation
2024 Investor Day

March 13 – 9:00 AM ET

JW Marriott Essex House – New York City
In-person and via webcast

Appendix

Non-GAAP Reconciliation (1/4)

$MM

	For the Three Months Ended March 31,		For the Three Months Ended June 30,		For the Three Months Ended September 30,		For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Reconciliation of GAAP to Non-GAAP Measures:										
Net Income (loss) including noncontrolling interest	**$22.6**	**$26.3**	**$30.5**	**$24.8**	**$35.5**	**$43.9**	**($34.8)**	**$20.9**	**$53.7**	**$115.9**
Interest expense and other financing costs, net	34.3	14.3	32.5	26.5	28.6	34.0	32.3	35.8	127.7	110.6
Provision for income taxes	4.2	6.4	9.8	(2.5)	10.8	18.9	(11.8)	6.5	13.0	29.2
Depreciation and Amortization	25.8	27.2	25.8	26.3	26.1	26.6	26.7	27.6	104.5	107.8
EBITDA	**86.9**	**74.2**	**98.6**	**75.1**	**101.0**	**123.4**	**12.4**	**90.9**	**298.9**	**363.5**
Acquisition and divestiture related expenses	-	0.4	0.5	0.1	-	-	0.4	0.9	1.0	1.4
Loss (Gain) on sale of business	-	-	(0.6)	-	-	-	(1.6)	7.7	(2.2)	7.7
Non-operating legal settlements	-	-	-	-	-	-	-	6.5	-	6.5
Finish bid error	-	-	-	-	-	-	48.8	-	48.8	-
Asset impairments	-	-	0.3	-	0.0	-	32.4	0.6	32.8	0.6
Integration costs	-	0.3	-	1.1	-	-	-	-	-	1.4
Restructuring charges	-	-	-	-	-	(0.8)	7.2	(0.0)	7.2	(0.8)
Adjusted EBITDA	**$86.9**	**$74.9**	**$98.8**	**$76.4**	**$101.0**	**$122.5**	**$99.8**	**$106.5**	**$386.4**	**$380.3**

Non-GAAP Reconciliation (2/4)

$MM

	For the Three Months Ended December 31, 2023				For the Three Months Ended December 31, 2022			
	Land Segment [1]	Consolidated			Land Segment [1]	Consolidated		
	Gross Profit	Gross Profit	Operating Expenses	Operating Income	Gross Profit	Gross Profit	Operating Expenses	Operating Income
GAAP Measure	**$57.0**	**$232.4**	**$247.7**	**($15.3)**	**$115.8**	**$282.4**	**$203.5**	**$78.8**
Acquisition and divestiture related expenses	-	-	0.4	0.4	-	-	0.9	0.9
Finish bid error	48.0	48.0	0.8	48.8	-	-	-	-
Asset impairments	-	-	32.4	32.4	-	-	0.6	0.6
Integration costs	-	-	-	-	-	-	-	-
Restructuring charges	-	-	7.2	7.2	-	-	(0.0)	(0.0)
Adjusted Non-GAAP Measure	**105.0**	**280.4**	**206.8**	**73.6**	**115.8**	**282.4**	**202.1**	**80.3**

	For the Twelve Months Ended December 31, 2023				For the Twelve Months Ended December 31, 2022			
	Land Segment [1]	Consolidated			Land Segment [1]	Consolidated		
	Gross Profit	Gross Profit	Operating Expenses	Operating Income	Gross Profit	Gross Profit	Operating Expenses	Operating Income
GAAP Measure	**$399.8**	**$1,058.2**	**$860.2**	**$198.0**	**$475.9**	**$1,089.1**	**$815.8**	**$273.2**
Acquisition and divestiture related expenses	-	-	1.0	1.0	-	-	1.4	1.4
Finish bid error	48.0	48.0	0.8	48.8	-	-	-	-
Asset impairments	-	-	32.8	32.8	-	-	0.6	0.6
Integration costs	-	-	-	-	-	-	1.4	1.4
Restructuring charges	-	-	7.2	7.2	-	-	(0.8)	(0.8)
Adjusted Non-GAAP Measure	**447.9**	**1,106.2**	**818.5**	**287.7**	**475.9**	**1,089.1**	**813.2**	**275.8**

1) Land segment gross profit. There are no adjustments to gross profit made for the aviation or marine segments.

Non-GAAP Reconciliation (3/4)

$MM, except per share data

	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2023		2022		2023		2022	
	Net Income	Earnings Per Share	Net Income	Earnings Per Share	Net Income	Earnings Per Share	Net Income	Earnings Per Share
Reconciliation of GAAP to Non-GAAP Measures								
Net Income & Diluted earnings per common share	**($34.8)**	**(0.58)**	**$20.9**	**0.33**	**$52.9**	**0.86**	**$114.1**	**1.82**
Acquisitions & Divestitures related Expenses	0.4	0.01	0.9	0.01	1.0	0.02	1.4	0.02
Loss (Gain) on Sale of a Business	(1.6)	(0.03)	7.7	0.12	(2.2)	(0.04)	7.7	0.12
Non-operating legal settlements	-	-	6.5	0.10	-	-	6.5	0.10
Finish bid error	48.8	0.81	-	-	48.8	0.79	-	-
Asset Impairments	32.4	0.54	0.6	0.01	32.8	0.53	0.6	0.01
Integration Costs	-	-	-	-	-	-	1.4	0.02
Restructuring Cost	7.2	0.12	(0.0)	(0.00)	7.2	0.12	(0.8)	(0.01)
Loss on Debt Extinguishment	-	-	-	-	-	-	0.7	0.01
Income Tax impact	(20.4)	(0.34)	(3.1)	(0.05)	(20.4)	(0.33)	(3.6)	(0.06)
Adjusted Net Income & Adjusted Diluted earnings per common share	**$32.2**	**0.54**	**$33.5**	**0.54**	**$120.0**	**1.95**	**$127.9**	**2.04**

Non-GAAP Reconciliation (4/4)

$MM	2020	2021	2022	2023
Reconciliation of GAAP to Non-GAAP Measures:				
Net Income (loss) including noncontrolling interest	**109.6**	**74.2**	**115.9**	**53.7**
Interest expense and other financing costs, net	44.9	40.2	110.6	127.7
Provision for income taxes	52.1	25.8	29.2	13.0
Depreciation and Amortization	85.8	81.0	107.8	104.5
EBITDA	**292.5**	**221.2**	**363.5**	**298.9**
Acquisition and divestiture related expenses	1.8	6.6	1.4	1.0
Loss (Gain) on sale of business	(80.0)	(0.9)	7.7	(2.2)
Non-operating legal settlements	0.0	0.0	6.5	0.0
Finish bid error				48.8
Asset impairments	25.5	4.7	0.6	32.8
Integration costs	0.0	0.0	1.4	0.0
Restructuring charges	10.3	6.6	(0.8)	7.2
Adjusted EBITDA	**250.2**	**238.1**	**380.3**	**386.4**
Reconciliation of GAAP to Non-GAAP Measures:				
Income from Operations	**137.9**	**142.6**	**273.2**	**198.0**
Acquisition and divestiture related expenses	1.8	6.6	1.4	1.0
Finish bid error	0.0	0.0	0.0	48.8
Asset impairments	25.5	4.7	0.6	32.8
Integration costs	0.0	0.0	1.4	0.0
Restructuring charges	10.3	6.6	(0.8)	7.2
Adjusted Income from Operations	**175.5**	**160.4**	**275.8**	**287.7**

Investor Relations Contacts

Ira M. Birns
Executive Vice President &
Chief Financial Officer

Elsa Ballard
Vice President of
Investor Relations & Communications

Investor@worldkinect.com