



World Fuel Services Corporation

2016 Second Quarter Earnings Call
July 27, 2016



Safe Harbor Statement

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 Form 10-K for the year ended December 31, 2015 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

Second Quarter Overview

- **Second quarter adjusted diluted earnings per share of \$0.50**
- **We continued to expand our market share and grew our full services energy management platform to a 21 billion gallon runrate**
- **Aviation achieved a 7 billion gallon runrate by outpacing market growth and leveraging our integrated global platform**
- **Marine industry witnessed continued weak shipping fundamentals with uncertainty around the timing of any meaningful recovery**
- **Global energy management continues to be an important part of our growth strategy**
- **MultiService Technology Solutions beginning to yield improved, sustainable results**
- **We have preliminarily identified cost reduction opportunities to drive further efficiencies**

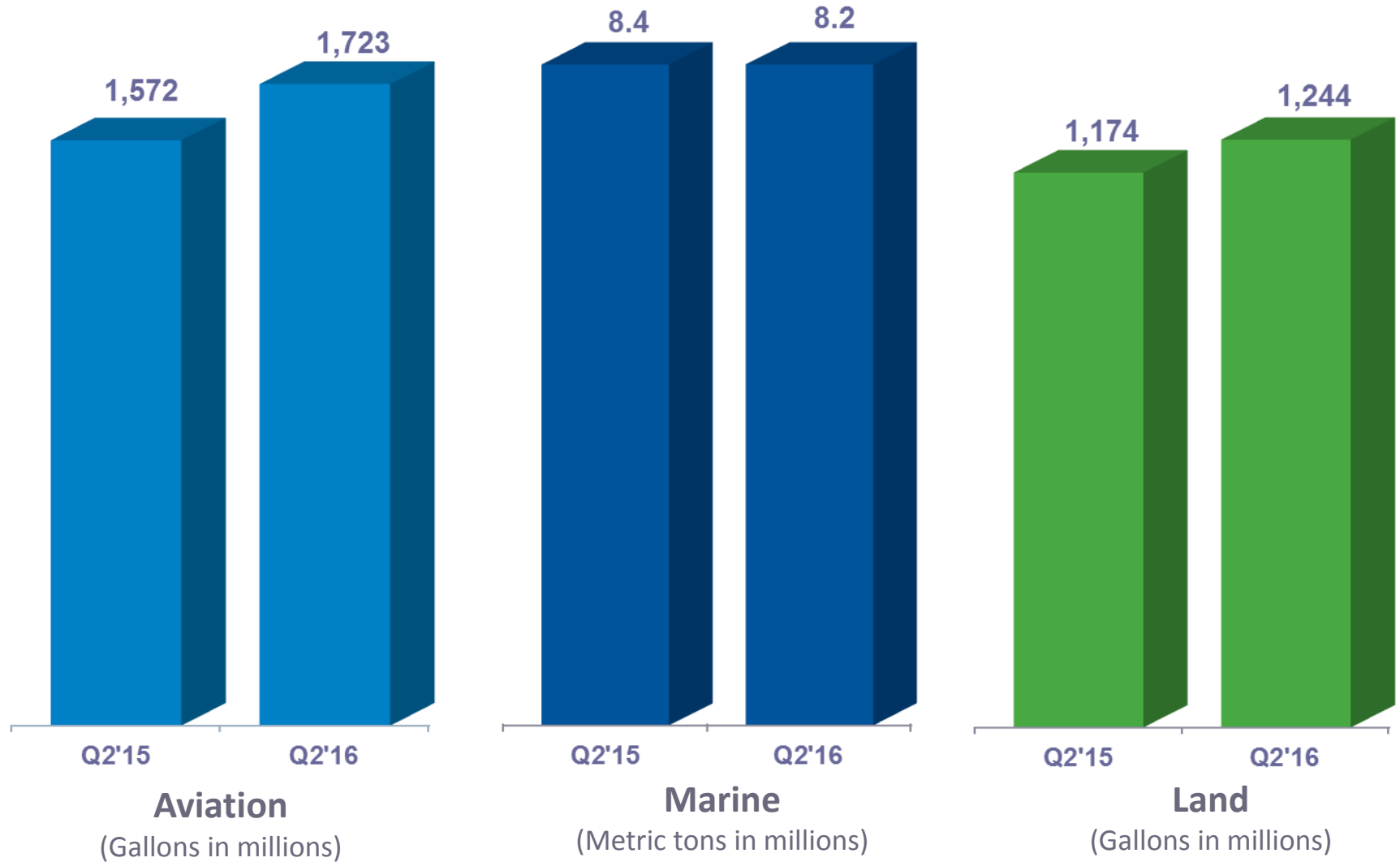
Financial Overview



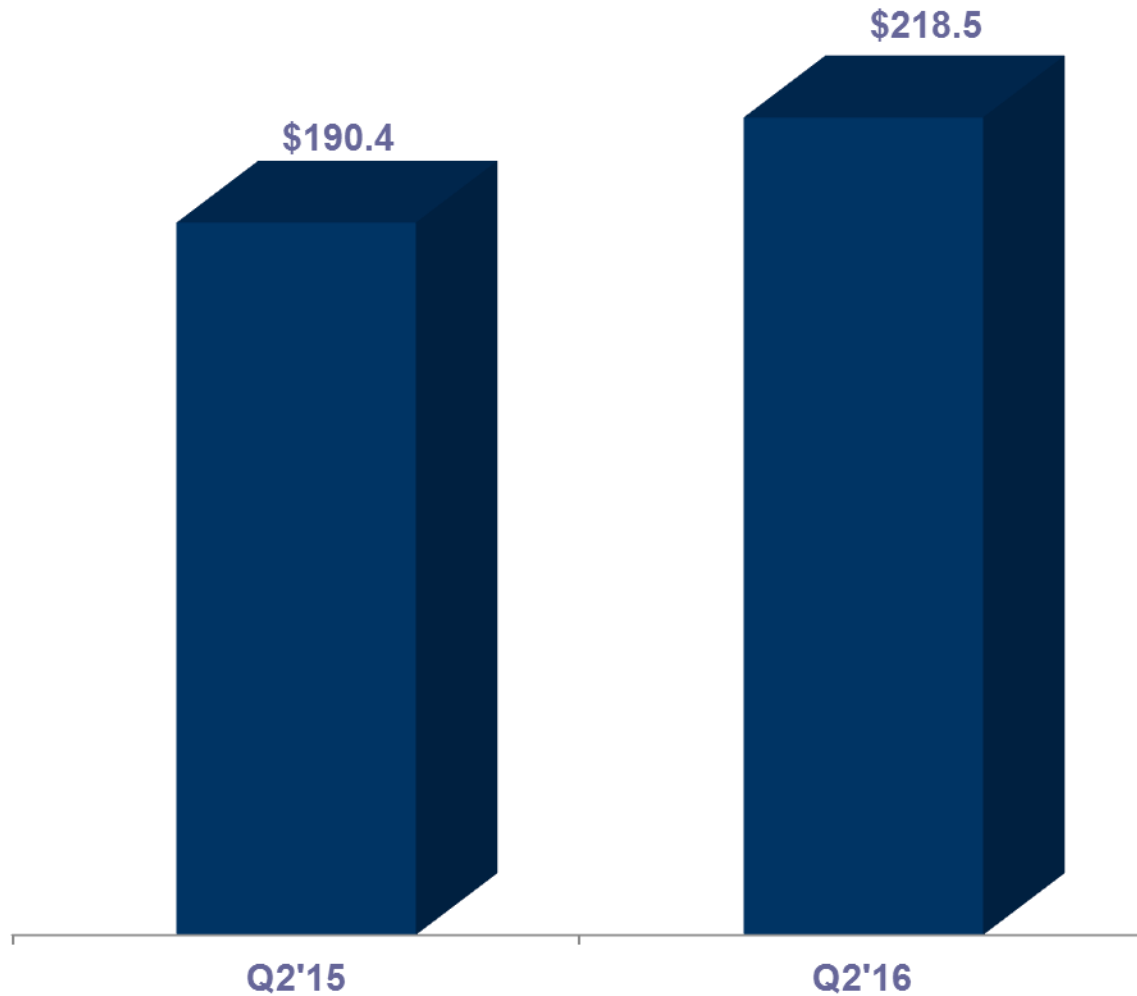
Ira Birns

Executive Vice President and
Chief Financial Officer

Volume by Segment



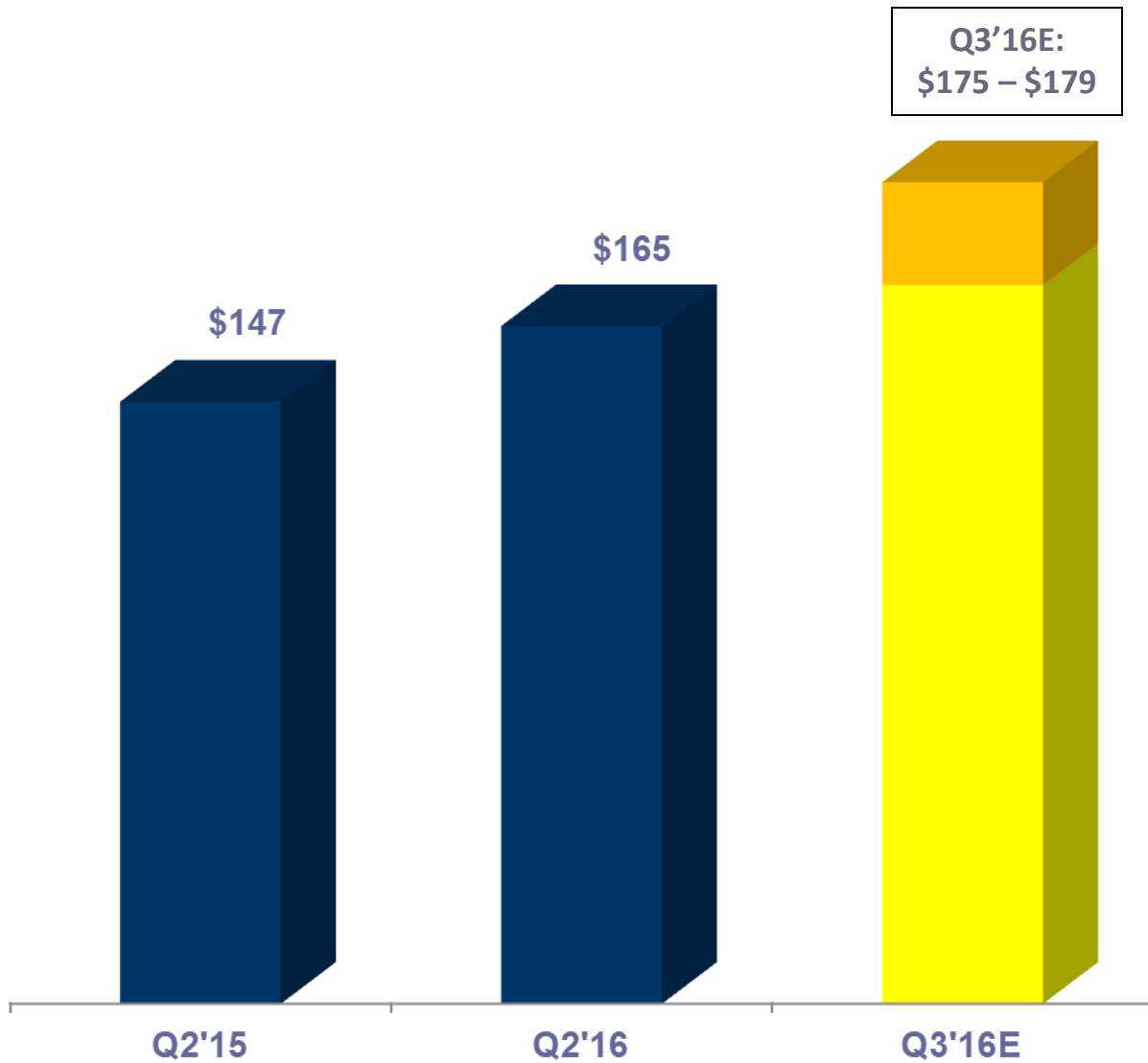
Consolidated Gross Profit (\$ in millions)



Gross Profit by Segment (\$ in millions)



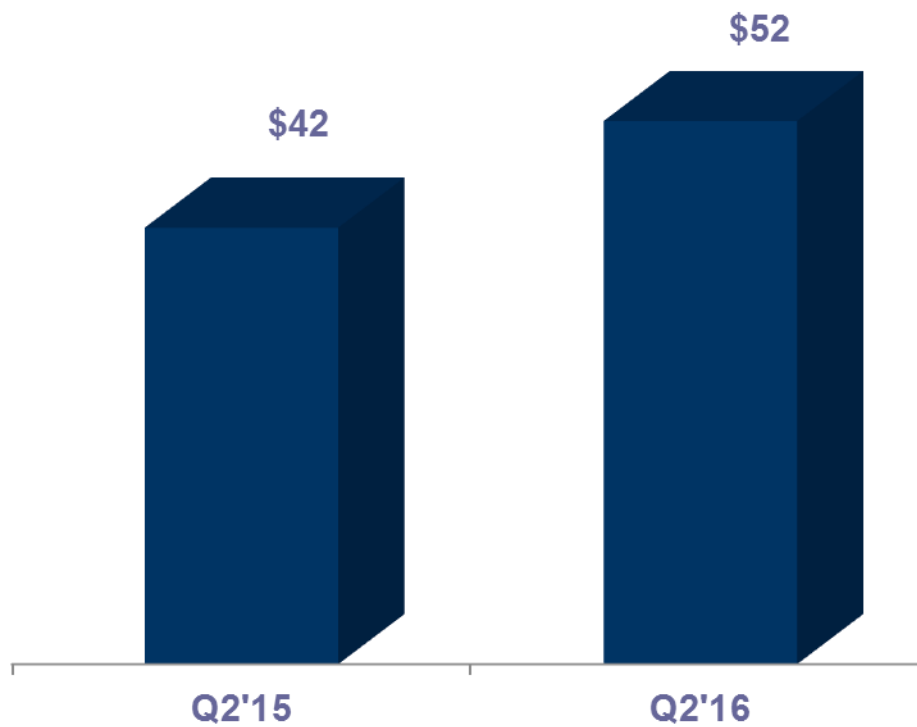
Consolidated Operating Expenses (excluding bad debt provision) (\$ in millions)



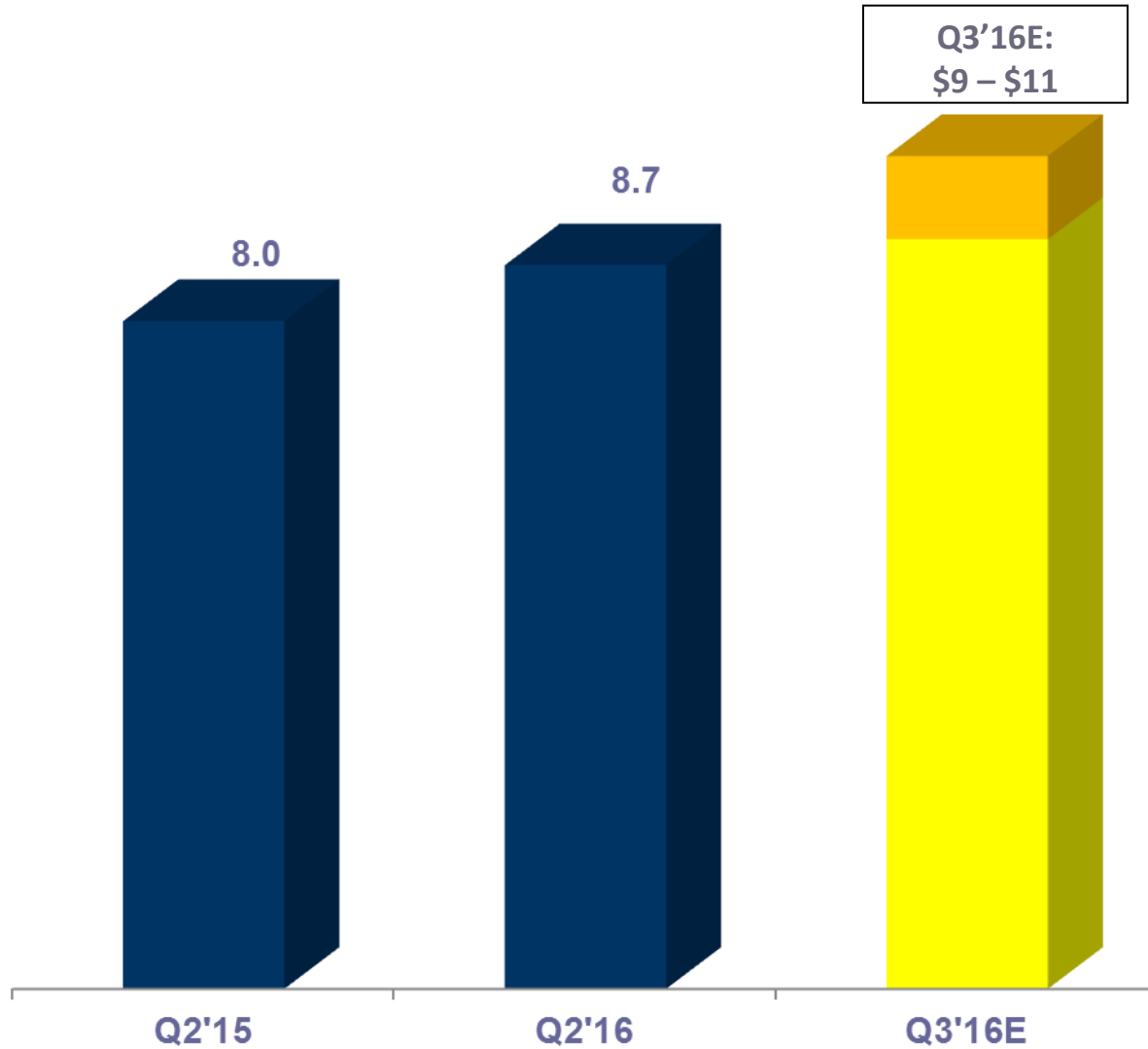
Reconciliation of Non-Recurring Items (\$ in millions)

Unallocated corporate expense	\$2.9
Aviation segment	\$2.2
Land segment	\$0.6
Marine segment	\$0.2
Total non-recurring items	<u>\$5.9</u>

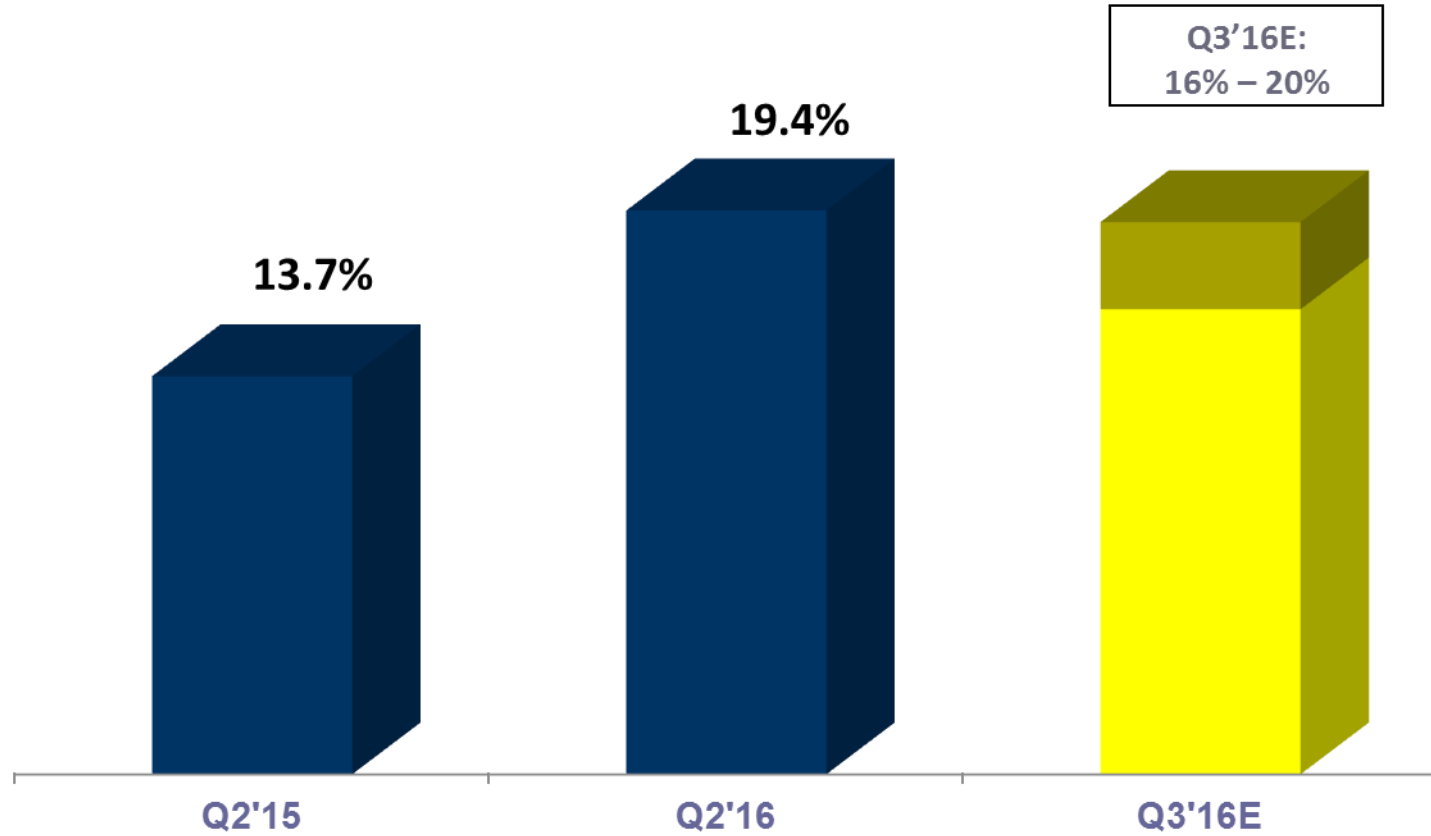
Consolidated Income From Operations (\$ in millions)



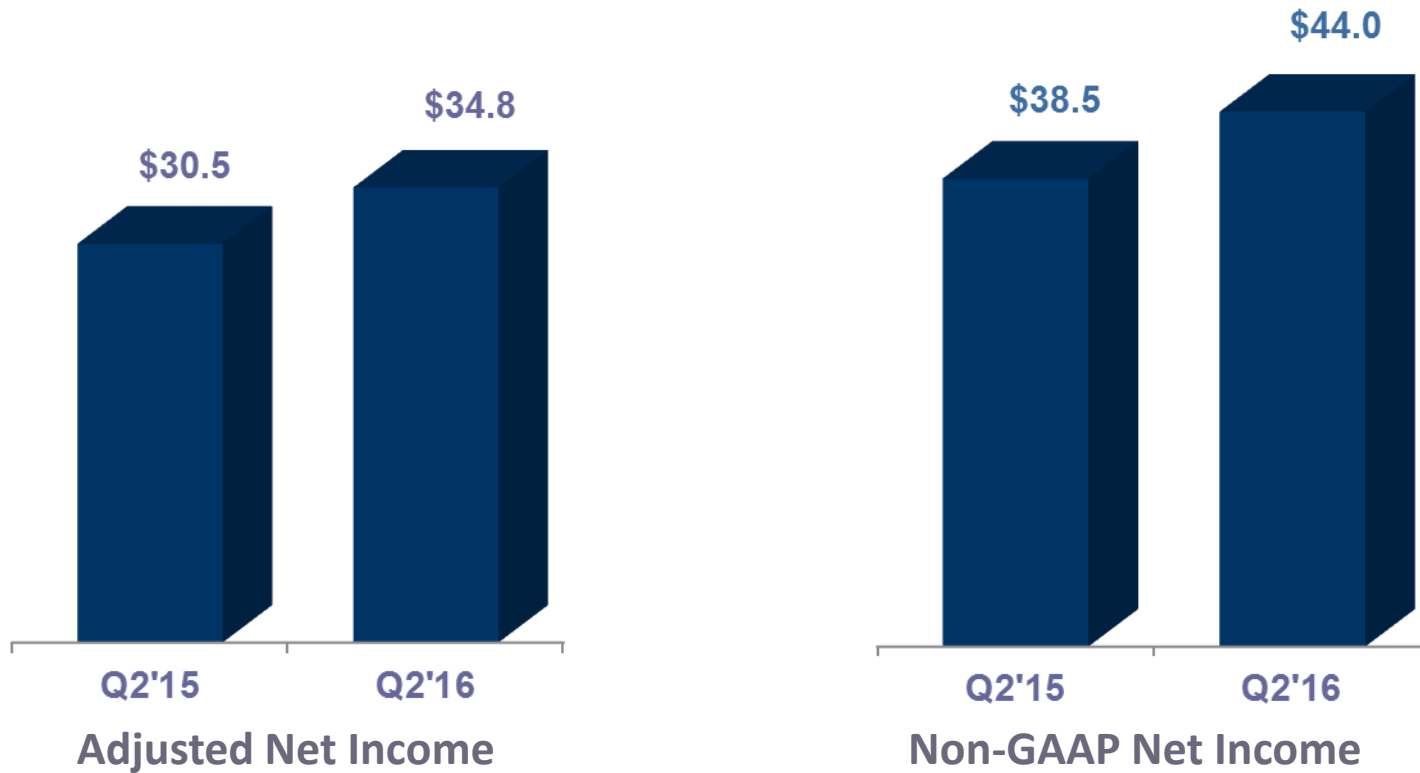
Non-Operating Expense (\$ in millions)



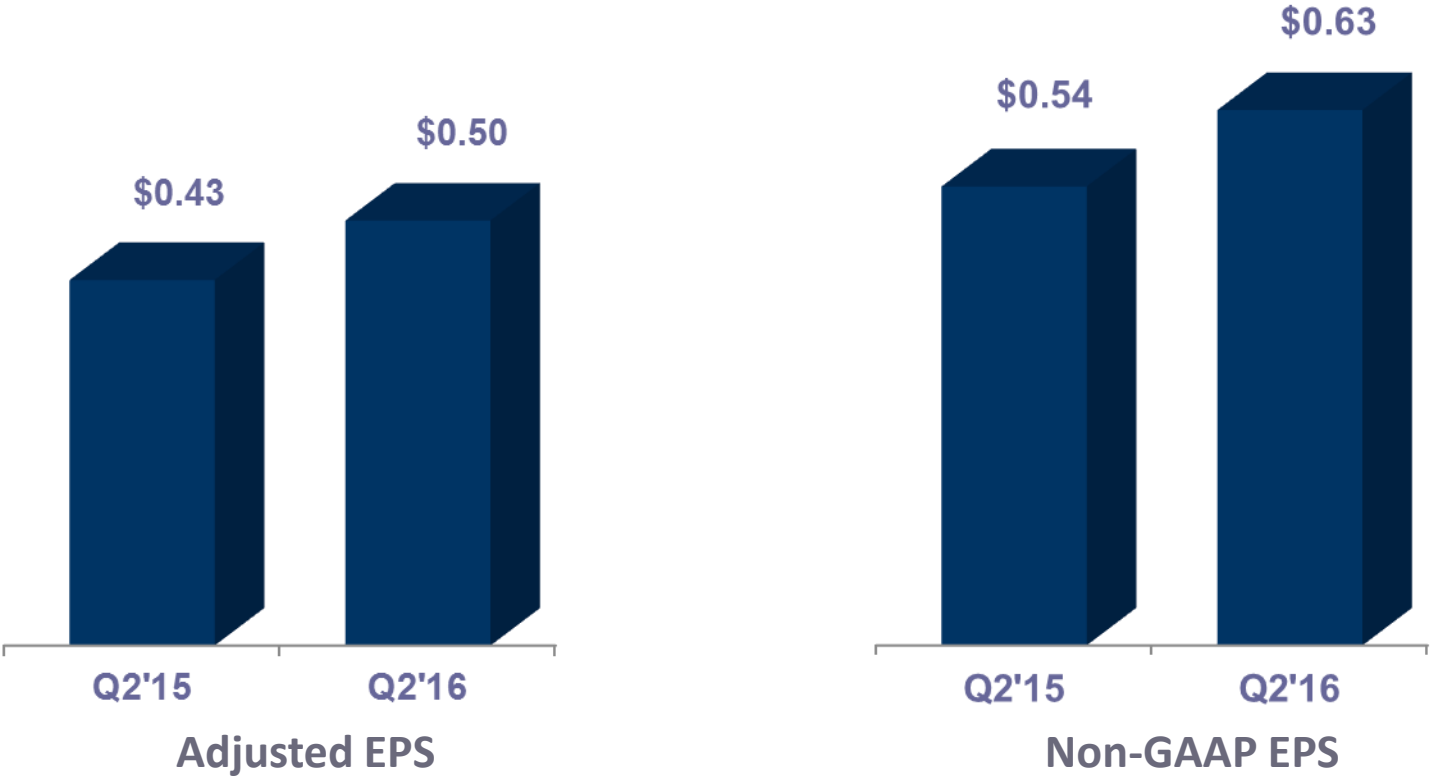
Effective Tax Rate



Net Income (\$ in millions)



Diluted Earnings Per Share



Balance Sheet Management

- **Total accounts receivable was \$2 billion at quarter end**
 - Down more than \$350 million year-over-year

- **Net working capital was \$880 million**
 - Net working capital declined \$30 million year-over-year

- **Generated \$63 million of operating cash flow during quarter**
 - Positive operating cash flow for the past sixteen consecutive quarters
 - Net debt reduced to approximately \$60 million
 - Repurchased \$18 million of common stock during the quarter

In Closing

- **Our balance sheet remains strong and liquid benefitting from consistent cash flow generation**
- **We continue to identify further organic growth initiatives and additional strategic investment opportunities**
- **The ExxonMobil transaction is expected to be completed over the next several months and the PAPCO and APP acquisitions closed just after quarter end**
- **Combined with identified cost reduction opportunities, we have an even stronger foundation for growth and increased meaningful profitability**

Questions & Answers

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

	<u>Q2 2015</u>	<u>Q2 2016</u>
Revenue, as reported	\$ 8,496.4	\$ 6,633.0
Gross profit, as reported	\$ 190.4	\$ 218.5
Operating expenses, as reported	\$ 148.8	\$ 173.0
Expenses related to the acquisitions and other non-recurring charges	-	(5.9)
Operating expenses, as adjusted	<u>\$ 148.8</u>	<u>\$ 167.1</u>
Operating income, as reported	\$ 41.6	\$ 45.6
Expenses related to the acquisitions and other non-recurring charges	-	5.9
Operating income, as adjusted	<u>\$ 41.6</u>	<u>\$ 51.5</u>
Income before tax, as reported	\$ 33.6	\$ 36.9
Expenses related to the acquisitions and other non-recurring charges	-	5.9
Income before tax, as adjusted	<u>\$ 33.6</u>	<u>\$ 42.8</u>
Provision for income taxes, as reported	\$ 4.6	\$ 7.1
Expenses related to the acquisitions and other non-recurring charges	-	1.1
Provision for income taxes, as adjusted	<u>\$ 4.6</u>	<u>\$ 8.2</u>
Minority interest , as reported	\$ (1.5)	\$ (0.2)
Net income , as reported	\$ 30.5	\$ 30.0
Expenses related to the acquisitions and other non-recurring charges	-	4.8
Net income, as adjusted	<u>\$ 30.5</u>	<u>\$ 34.8</u>
Diluted earnings per common share, as reported	\$ 0.43	\$ 0.43
Expenses related to the acquisitions and other non-recurring charges	\$ -	\$ 0.07
Diluted earnings per common share, as adjusted	<u>\$ 0.43</u>	<u>\$ 0.50</u>