

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): October 25, 2018

WORLD FUEL SERVICES CORPORATION

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation)

1-9533

(Commission File Number)

59-2459427

(I.R.S. Employer Identification No.)

9800 N.W. 41st Street

Miami, Florida

(Address of principal executive offices)

33178

(Zip Code)

Registrant's telephone number, including area code: (305) 428-8000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

Item 7.01. Regulation FD Disclosure

The following information is provided pursuant to Item 7.01 of Form 8-K, "Regulation FD Disclosure" and Item 2.02 of Form 8-K, "Results of Operations and Financial Condition."

On October 25, 2018, World Fuel Services Corporation (the "Company") issued a press release reporting its financial results for the third quarter ended September 30, 2018. A copy of the press release is attached hereto as Exhibit 99.1.

This information and the information contained in Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	Press Release, dated October 25, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 25, 2018

World Fuel Services Corporation

/s/ Ira M. Birns

Ira M. Birns

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.

[99.1](#)

Description

Press Release, dated October 25, 2018

Contact:

Ira M. Birns, Executive Vice President &
Chief Financial Officer

Glenn Klevitz
Vice President, Treasury & Investor Relations
305-428-8000

World Fuel Services Corporation Reports Third Quarter 2018 Results

MIAMI—October 25, 2018-- World Fuel Services Corporation (NYSE: INT)

Third-Quarter 2018 Highlights

- GAAP net income of \$38.2 million or \$0.56 per diluted share
- Adjusted net income of \$42.5 million, or \$0.63 per diluted share
- Total of 5.0 billion gallons of fuel sold
- Total gross profit of \$266.7 million, up 11% year-over-year
- Adjusted EBITDA of \$104.3 million, up 23% year-over-year

“Our third quarter results were highlighted by record profitability in our aviation segment as well as better than expected performance in our marine segment,” stated Michael J. Kasbar, chairman and chief executive officer of World Fuel Services Corporation. “We continue to focus on operating efficiencies, portfolio refinement and organic growth initiatives, which has contributed to improved operating performance in 2018 and should position us well for growth in 2019 and beyond.”

For the quarter, our aviation segment generated gross profit of \$140.7 million, an increase of 14% year-over-year, primarily driven by strong growth in international fuel sales and continued strength in government-related activity. Our marine segment generated gross profit of \$43.0 million, an increase of 41% year-over-year, primarily due to improved economics in our core operations as well as seasonal activities. Our land segment generated gross profit of \$83.0 million, down 3% year-over-year, driven by weakness in the United Kingdom and Brazil, which was partially offset by growth in our Kinect global energy management and Multi Service payment solutions businesses.

“Commitment to our continued cost management initiatives contributed to record adjusted EBITDA generation during the third quarter, resulting in a 23% increase compared to last year,” said Ira M. Birns, executive vice president and chief financial officer. “Year-to-date our improvement in operating leverage is already tracking ahead of our expectations for a 250 basis point improvement for the full year.”

Liquidity and Capital

Cash flow used in operating activities was \$87.5 million for the third quarter of 2018. This reflects the impact of a change in classification of \$115.6 million of cash proceeds received from the beneficial interest of receivables sold from cash flow from operating activities to cash flow from investing activities due to an accounting standard adopted in the beginning of 2018. A continued focus on working capital

management contributed to a reduction of our net debt to adjusted EBITDA ratio to 1.8x at September 30, 2018 from 1.9x at June 30, 2018.

Non-GAAP Financial Measures

This press release contains non-GAAP financial measures, including adjusted net income, adjusted diluted earnings per share, adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”), and net debt (collectively, the “Non-GAAP Measures”). The Non-GAAP measures exclude acquisition-related charges and severance and restructuring charges primarily because we do not believe they are reflective of the Company’s core operating results. We believe that 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 Measures may not be comparable to the presentation of such metrics by other companies. Non-GAAP diluted earnings per common share is computed by dividing non-GAAP net income attributable to World Fuel Services and available to common shareholders by the sum of the weighted average number of shares of common stock, stock units, restricted stock entitled to dividends not subject to forfeiture and vested restricted stock units outstanding during 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. Investors are encouraged to review the reconciliation of these Non-GAAP Measures to their most directly comparable GAAP financial measures in this press release and on our website.

Information Relating to Forward-Looking Statements

This release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our beliefs and expectations with respect to our focus on operating efficiencies, portfolio refinement and organic growth initiatives and its impact on operating performance in 2018 and 2019, as well as our expectations about improvements to our operating leverage. These forward-looking statements are qualified in their entirety by cautionary statements and risk factor disclosures contained in the Company’s Securities and Exchange Commission (“SEC”) filings, including the Company’s most recent Annual Report on Form 10-K filed with the SEC. Actual results may differ materially from any forward-looking statements due to risks and uncertainties, including, but not limited to: our ability to effectively leverage technology and operating systems and realize the anticipated benefits, our ability to successfully execute and achieve efficiencies and other benefits related to our transformation initiatives, our ability to achieve the expected level of benefit from our restructuring activities and cost reduction initiatives, unanticipated tax liabilities or adverse results of tax audits, assessments, or disputes, our ability to successfully implement our growth strategy, our ability to effectively integrate acquired businesses and recognize the anticipated benefits, risks related to the complexity of U.S. Tax Reform and our ability to accurately predict its impact on our returns and future earnings, our ability to capitalize on new market opportunities and changes in supply and other market dynamics in the regions where we operate, potential liabilities and the extent of any insurance coverage, the outcome of pending litigation and other proceedings, the impact of quarterly fluctuations in results, particularly as a result of seasonality, the creditworthiness of our customers and counterparties and our ability to collect accounts receivable, fluctuations in world oil prices or foreign currency, changes in political, economic, regulatory, or environmental conditions, adverse conditions in the markets or industries in which we or our customers and suppliers operate, our failure to effectively hedge certain financial risks associated with the use of derivatives, non-performance by counterparties or customers on derivatives contracts, loss of, or reduced sales, to a significant government customer, uninsured losses, the impact of natural disasters, adverse results in legal disputes, our ability to retain and attract senior management and other key employees and other risks detailed 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.

About World Fuel Services Corporation

Headquartered in Miami, Florida, World Fuel Services is a global energy management company involved in providing energy procurement advisory services, supply fulfillment and transaction and payment management solutions to commercial and industrial customers, principally in the aviation, marine and land transportation industries. World Fuel Services sells fuel and delivers services to its clients at more than 8,000 locations in more than 200 countries and territories worldwide.

For more information, call 305-428-8000 or visit www.wfscorp.com.

-- Some amounts in this press release may not add due to rounding. All percentages have been calculated using unrounded amounts --

WORLD FUEL SERVICES CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited - In millions, except per share data)

	As of	
	September 30, 2018	December 31, 2017
Assets:		
Current assets:		
Cash and cash equivalents	\$ 142.1	\$ 372.3
Accounts receivable, net	3,106.9	2,705.6
Inventories	679.3	505.0
Prepaid expenses	78.9	64.4
Short-term derivative assets, net	61.8	51.1
Other current assets	265.8	241.9
Total current assets	4,334.7	3,940.4
Property and equipment, net	338.8	329.8
Goodwill	855.6	845.5
Identifiable intangible and other non-current assets	485.7	472.1
Total assets	\$ 6,014.8	\$ 5,587.8
Liabilities:		
Current liabilities:		
Current maturities of long-term debt and capital leases	\$ 35.7	\$ 25.6
Accounts payable	2,785.9	2,239.7
Customer deposits	105.9	108.3
Accrued expenses and other current liabilities	357.1	344.9
Total current liabilities	3,284.5	2,718.6
Long-term debt	706.6	884.6
Non-current income tax liabilities, net	192.6	202.4
Other long-term liabilities	49.9	44.2
Total liabilities	4,233.6	3,849.8
Commitments and contingencies		
Equity:		
World Fuel shareholders' equity:		
Preferred stock, \$1.00 par value; 0.1 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 100.0 shares authorized, 67.0 and 67.7 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively	0.7	0.7
Capital in excess of par value	340.8	354.9
Retained earnings	1,580.4	1,492.8
Accumulated other comprehensive loss	(156.7)	(126.5)
Total World Fuel shareholders' equity	1,765.2	1,721.9
Noncontrolling interest	16.0	16.0
Total equity	1,781.2	1,738.0
Total liabilities and equity	\$ 6,014.8	\$ 5,587.8

WORLD FUEL SERVICES CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited – In millions, except per share data)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Revenue	\$ 10,429.5	\$ 8,543.0	\$ 29,761.7	\$ 24,823.4
Cost of revenue	10,162.8	8,303.1	29,005.4	24,121.1
Gross profit	266.7	239.9	756.3	702.3
Operating expenses:				
Compensation and employee benefits	117.9	107.6	342.0	314.5
General and administrative	70.6	71.0	217.8	225.0
	188.5	178.6	559.8	539.5
Income from operations	78.2	61.3	196.4	162.8
Non-operating expenses, net:				
Interest expense and other financing costs, net	(18.3)	(15.8)	(52.5)	(42.2)
Other expense, net	1.9	(0.9)	(2.0)	(5.0)
	(16.4)	(16.7)	(54.5)	(47.3)
Income before income taxes	61.8	44.6	142.0	115.6
Provision for income taxes	23.0	82.6	42.7	92.2
Net income (loss) including noncontrolling interest	38.7	(37.9)	99.2	23.4
Net income attributable to noncontrolling interest	0.6	0.6	1.1	0.6
Net income (loss) attributable to World Fuel	\$ 38.2	\$ (38.5)	\$ 98.1	\$ 22.8
Basic earnings per common share	\$ 0.57	\$ (0.57)	\$ 1.45	\$ 0.33
Basic weighted average common shares	67.5	67.9	67.5	68.3
Diluted earnings per common share	\$ 0.56	\$ (0.57)	\$ 1.45	\$ 0.33
Diluted weighted average common shares	67.7	68.2	67.8	68.6
Comprehensive income:				
Net income including noncontrolling interest	\$ 38.7	\$ (37.9)	\$ 99.2	\$ 23.4
Other comprehensive income (loss):				
Foreign currency translation adjustments	(4.7)	12.2	(23.0)	29.8
Cash flow hedges, net of income tax benefit of \$3.5 and \$5.5 for the three months ended September 30, 2018 and 2017, respectively, and net of income tax benefit of \$5.2 and income tax expense of \$1.1 for the nine months ended September 30, 2018 and 2017, respectively	(5.6)	(8.7)	(8.4)	1.8
Other comprehensive income (loss):	(10.3)	3.5	(31.4)	31.6
Comprehensive income (loss) including noncontrolling interest	28.5	(34.4)	67.8	55.0
Comprehensive income (loss) attributable to noncontrolling interest	0.1	1.1	(1.2)	2.2
Comprehensive income (loss) attributable to World Fuel	\$ 28.4	\$ (35.5)	\$ 69.1	\$ 52.8

WORLD FUEL SERVICES CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - In millions)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Cash flows from operating activities:				
Net income (loss) including noncontrolling interest	\$ 38.7	\$ (37.9)	\$ 99.2	\$ 23.4
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:				
Depreciation and amortization	20.6	20.7	59.0	64.1
Provision for bad debt	3.5	2.4	7.6	6.3
Valuation allowance against the net U.S. deferred tax assets	—	76.9	—	76.9
Share-based payment award compensation costs	1.6	6.0	8.0	15.3
Deferred income tax benefit	(0.7)	(13.2)	(1.8)	(21.2)
Foreign currency losses, net	7.4	14.9	4.9	8.4
Other	(1.2)	(0.6)	(0.8)	(2.4)
Changes in assets and liabilities, net of acquisitions:				
Accounts receivable, net (reduced by beneficial interests received in exchange for accounts receivables sold of \$109.3 million and \$82.1 million for the three months ended September 30, 2018 and 2017, respectively, and \$353.0 million and \$239.2 million for the nine months ended September 30, 2018 and 2017, respectively.)	(275.8)	(444.9)	(775.5)	(492.6)
Inventories	(120.4)	(84.7)	(177.1)	(69.5)
Prepaid expenses	(19.4)	(10.2)	(17.2)	(9.8)
Short-term derivative assets, net	(13.7)	14.2	(35.7)	28.4
Other current assets	(11.5)	(52.7)	(43.7)	(49.7)
Cash collateral with financial counterparties	(1.7)	(9.7)	40.0	(15.6)
Other non-current assets	(6.5)	(6.9)	(39.3)	(19.3)
Accounts payable	253.1	241.0	554.0	253.7
Customer deposits	11.0	7.3	(1.1)	6.4
Accrued expenses and other current liabilities	17.2	72.7	(5.4)	—
Non-current income tax, net and other long-term liabilities	10.3	14.1	8.9	5.9
Total adjustments	(126.2)	(152.6)	(415.2)	(214.5)
Net cash used in operating activities	(87.4)	(190.6)	(316.0)	(191.1)
Cash flows from investing activities:				
Cash receipts of retained beneficial interests in receivable sales	115.6	80.0	357.5	236.3
Acquisition of businesses, net of cash acquired	—	(6.1)	(21.0)	(94.6)
Capital expenditures	(15.8)	(6.3)	(44.7)	(37.8)
Other investing activities, net	(0.3)	(0.1)	7.3	(0.5)
Net cash provided by investing activities	99.5	67.4	299.0	103.4
Cash flows from financing activities:				
Borrowings of debt	1,788.5	1,508.3	4,663.5	3,500.1
Repayments of debt	(1,821.6)	(1,381.5)	(4,841.2)	(3,492.6)
Dividends paid on common stock	(4.1)	(4.1)	(12.1)	(12.3)
Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards	(0.1)	(0.1)	(2.2)	(4.0)
Purchases of common stock	(20.0)	(30.0)	(20.0)	(61.9)
Other financing activities, net	—	(1.6)	—	(2.0)
Net cash (used in) provided by financing activities	(57.3)	91.0	(212.0)	(72.7)
Effect of exchange rate changes on cash and cash equivalents	(0.2)	2.6	(1.3)	7.8
Net decrease in cash and cash equivalents	(45.5)	(29.6)	(230.3)	(152.6)
Cash and cash equivalents, as of beginning of period	187.6	575.6	372.3	698.6
Cash and cash equivalents, as of end of period	\$ 142.1	\$ 546.0	\$ 142.1	\$ 546.0

* The adoption of ASU 2016-15 resulted in operating cash flow decreases and investing cash flow increases of \$115.6 million and \$80.0 million for the three months ended September 30, 2018 and 2017, respectively, and \$357.5 million and \$236.3 million for the nine months ended September 30, 2018 and 2017, respectively.

WORLD FUEL SERVICES CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited - In millions, except per share data)

Non-GAAP financial measures and reconciliation:	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net income attributable to World Fuel	\$ 38.2	\$ (38.5)	\$ 98.1	\$ 22.8
Acquisition related charges	0.3	1.3	1.7	6.8
Severance and other restructuring-related costs	5.2	2.1	12.2	7.1
Valuation allowance against the net U.S. deferred tax assets	—	76.9	—	76.9
Income tax impacts	(1.2)	(0.9)	(2.9)	(4.0)
Adjusted net income attributable to World Fuel	\$ 42.5	\$ 40.9	\$ 109.2	\$ 109.6
Diluted earnings per common share	\$ 0.56	\$ (0.57)	\$ 1.45	\$ 0.33
Acquisition related charges	0.01	0.02	0.03	0.10
Severance and other restructuring-related costs	0.08	0.03	0.18	0.10
Valuation allowance against the net U.S. deferred tax assets	—	1.13	—	1.12
Income tax impacts	(0.02)	(0.01)	(0.04)	(0.06)
Adjusted diluted earnings per common share	\$ 0.63	\$ 0.60	\$ 1.61	\$ 1.60

Non-GAAP financial measures and reconciliation:	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Income from operations	\$ 78.2	\$ 61.3	\$ 196.4	\$ 162.8
Depreciation and amortization	20.6	20.7	59.0	64.1
Acquisition-related charges	0.3	0.5	1.7	6.0
Severance and other restructuring-related costs	5.2	2.1	12.2	6.5
Adjusted EBITDA(1)	\$ 104.3	\$ 84.6	\$ 269.4	\$ 239.5

- (1) The Company defines adjusted EBITDA as income from operations, excluding the impact of depreciation and amortization, and items that are considered to be non-operational and are not representative of our core business, including those associated with severance, restructuring and acquisition-related costs.

WORLD FUEL SERVICES CORPORATION
BUSINESS SEGMENTS INFORMATION
(Unaudited - In millions)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
Revenue:	2018	2017	2018	2017
Aviation segment	\$ 5,025.3	\$ 3,705.8	\$ 14,218.9	\$ 10,531.6
Land segment	2,854.4	2,770.5	8,675.3	8,117.9
Marine segment	2,549.8	2,066.7	6,867.5	6,173.9
	<u>\$ 10,429.5</u>	<u>\$ 8,543.0</u>	<u>\$ 29,761.7</u>	<u>\$ 24,823.4</u>
Gross profit:				
Aviation segment	\$ 140.7	\$ 123.9	\$ 378.0	\$ 334.8
Land segment	83.0	85.5	273.8	270.5
Marine segment	43.0	30.5	104.5	97.0
	<u>\$ 266.7</u>	<u>\$ 239.9</u>	<u>\$ 756.3</u>	<u>\$ 702.3</u>
Income from operations:				
Aviation segment	\$ 76.4	\$ 61.6	\$ 188.3	\$ 151.7
Land segment	7.8	13.1	37.7	46.7
Marine segment	14.4	4.3	30.9	19.9
	98.6	79.1	256.9	218.4
Corporate overhead - unallocated	(20.5)	(17.8)	(60.4)	(55.5)
	<u>\$ 78.2</u>	<u>\$ 61.3</u>	<u>\$ 196.4</u>	<u>\$ 162.8</u>

SALES VOLUME SUPPLEMENTAL INFORMATION
(Unaudited - In millions)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
Volume (Gallons):	2018	2017	2018	2017
Aviation Segment	2,089.5	2,059.2	6,146.8	5,921.7
Land Segment ⁽¹⁾	1,344.6	1,497.4	4,235.3	4,466.8
Marine Segment ⁽²⁾	1,575.0	1,799.5	4,653.9	5,388.6
Consolidated Total	<u>5,009.1</u>	<u>5,356.2</u>	<u>15,036.1</u>	<u>15,777.1</u>

(1) Includes gallons and gallon equivalents of British Thermal Units (BTU) for our natural gas sales and Kilowatt Hours (KwH) for our Kinect power business.

(2) Converted from metric tons to gallons at a rate of 264 gallons per metric ton. Marine segment metric tons were 6.0 and 17.6 for the three and nine months ended September 30, 2018.

CONTACT:

World Fuel Services Corporation
Ira M Birns, 305-428-8000
Executive Vice President & Chief Financial Officer

Glenn Klevitz, 305-428-8000
Vice President, Treasury & Investor Relations