



# Third Quarter 2020 Earnings Call

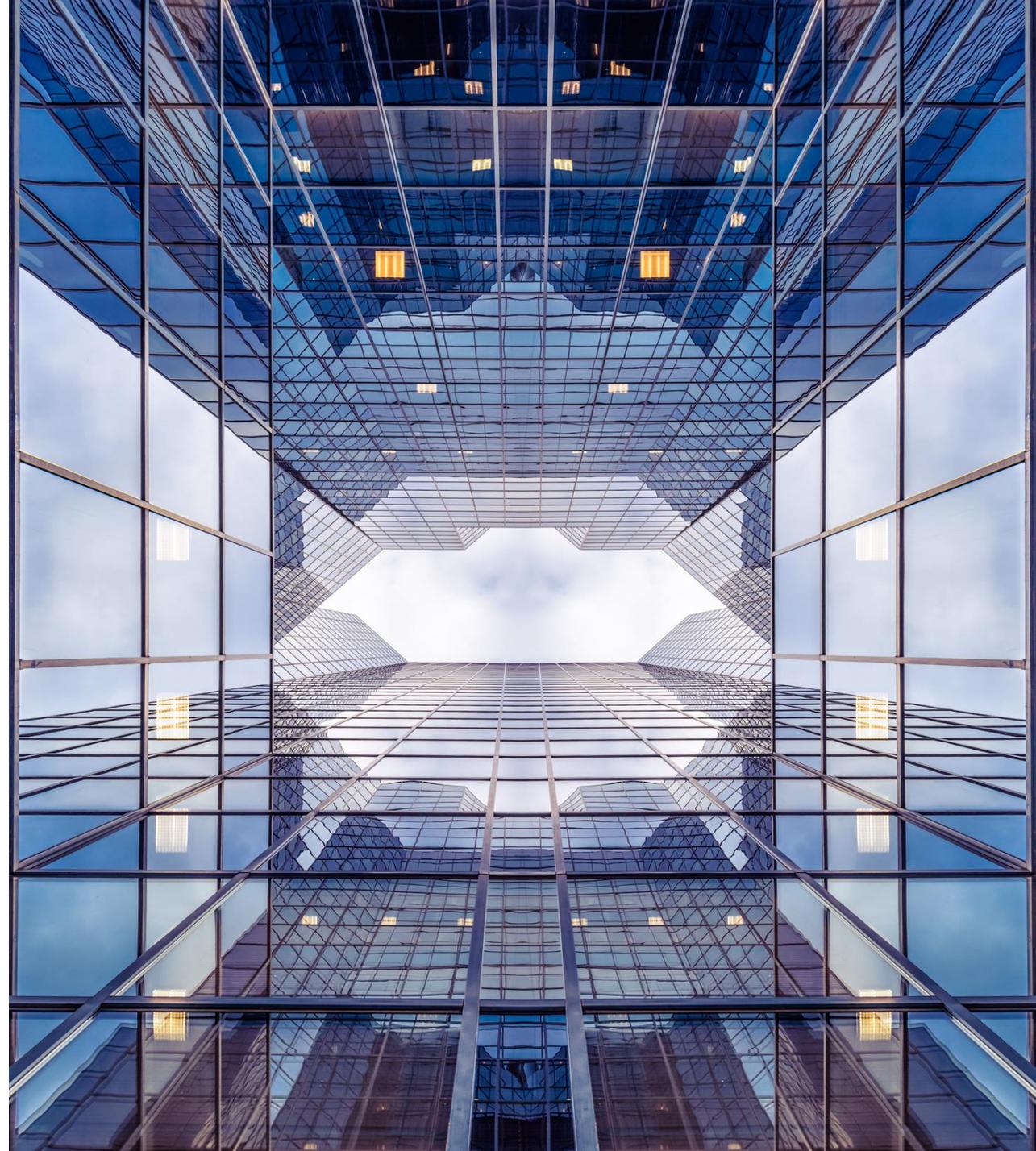
Thursday, October 29, 2020



# 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

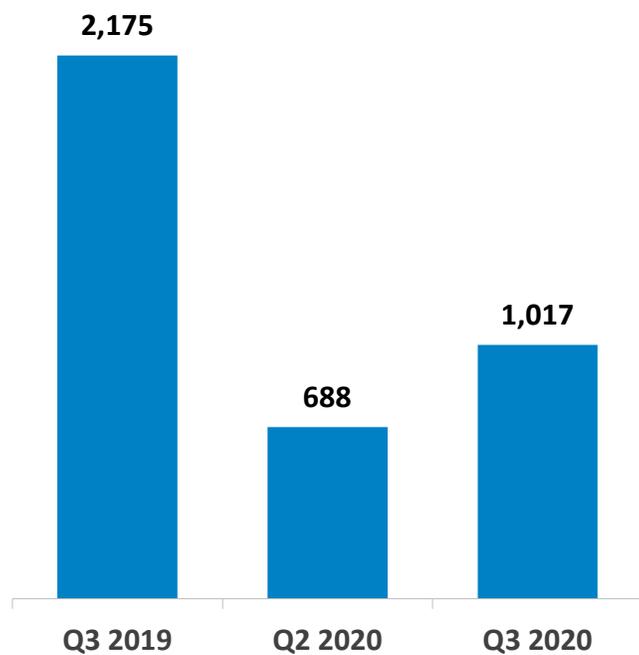
**Ira Birns**

Executive Vice President and  
Chief Financial Officer

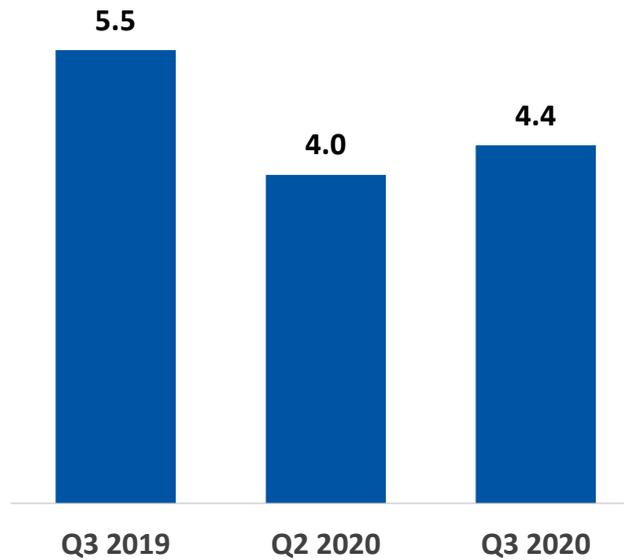
# Financial Overview

- ❑ Volume increased sequentially in all three of our business segments
- ❑ Completed sale of MultiService business, resulting in after-tax gain of \$64 million or \$1.00 per share
- ❑ Adjusted third quarter net income and earnings per share were \$20.7 million or \$0.33 per share
- ❑ Adjusted third quarter EBITDA was \$64 million, a sequential increase of 13%
- ❑ Generated \$246 million of operating cash flow in the third quarter

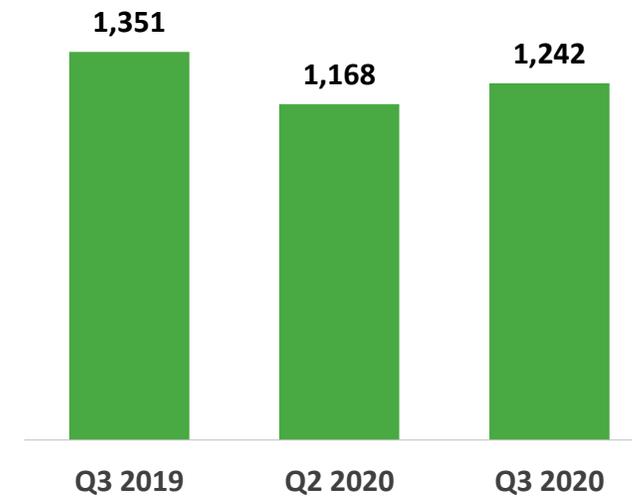
# Volume by Segment



**Aviation**  
(Gallons in millions)



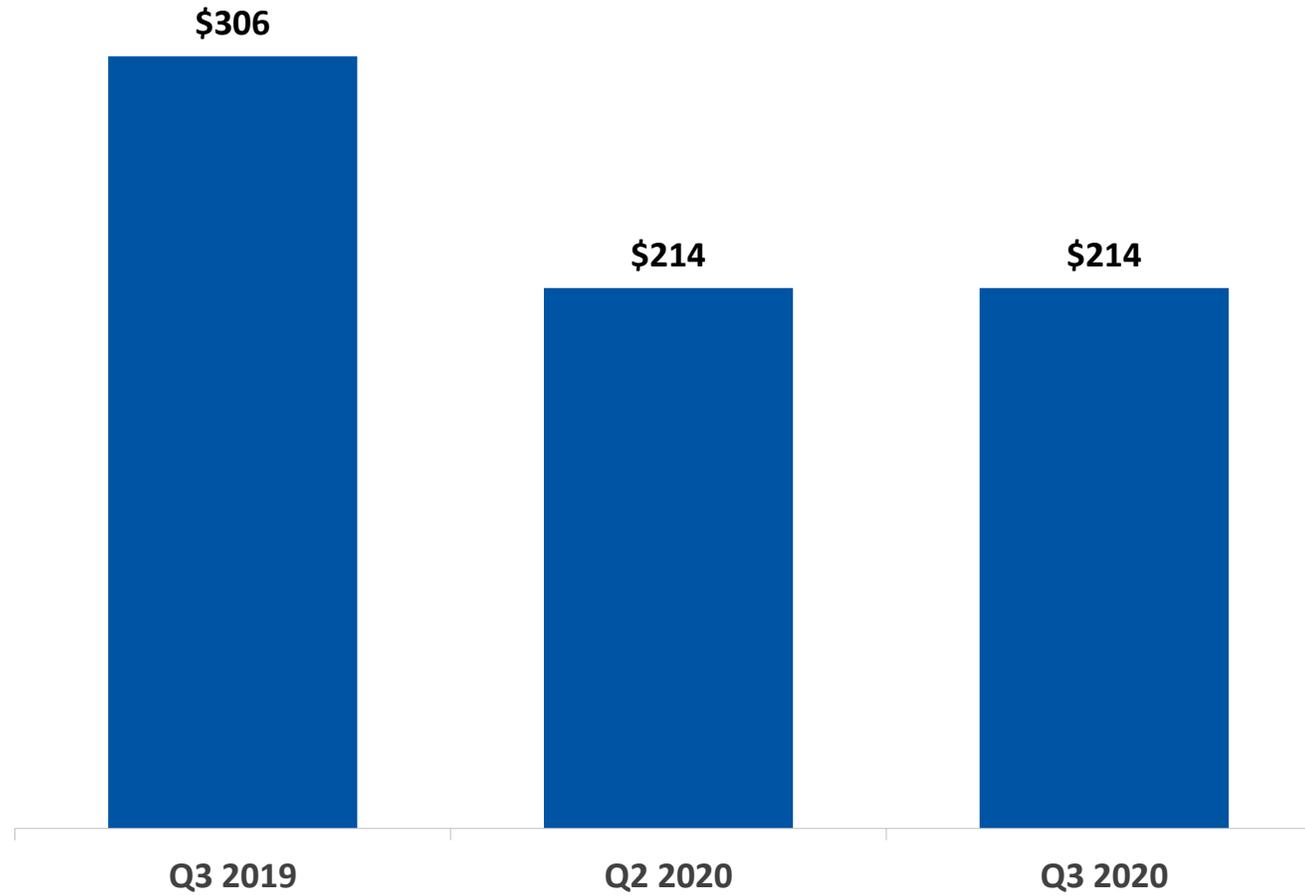
**Marine**  
(Metric tons in millions)



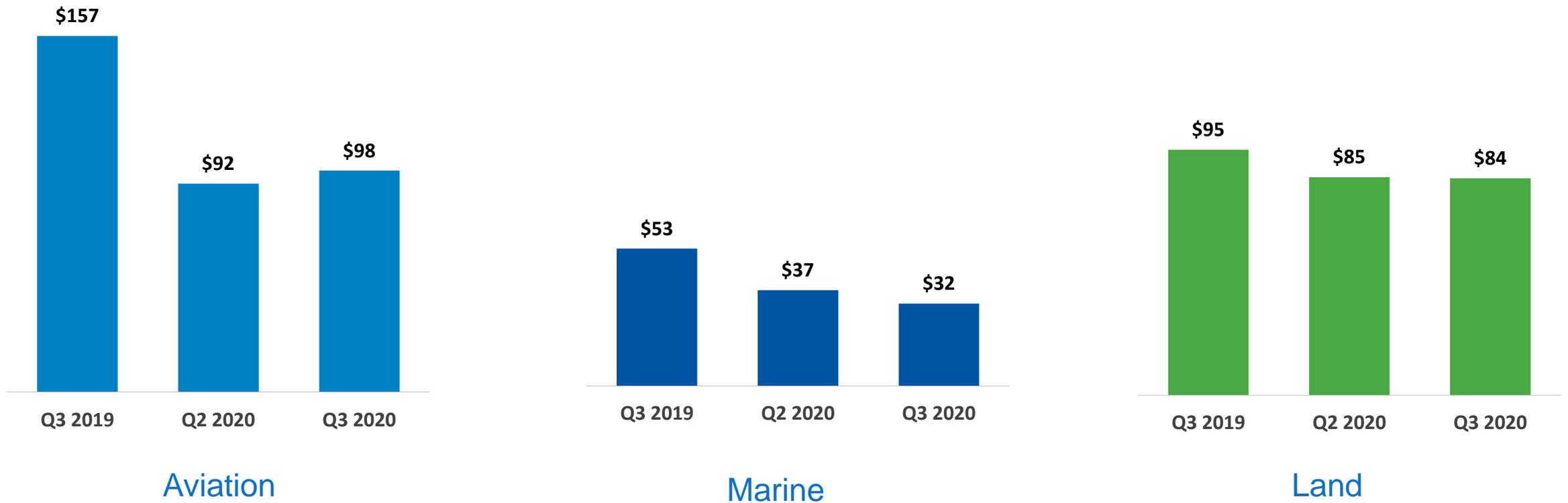
**Land**  
(Gallons in millions) \*

\* Includes gallon and gallon equivalents

# Consolidated Gross Profit (\$ in millions)

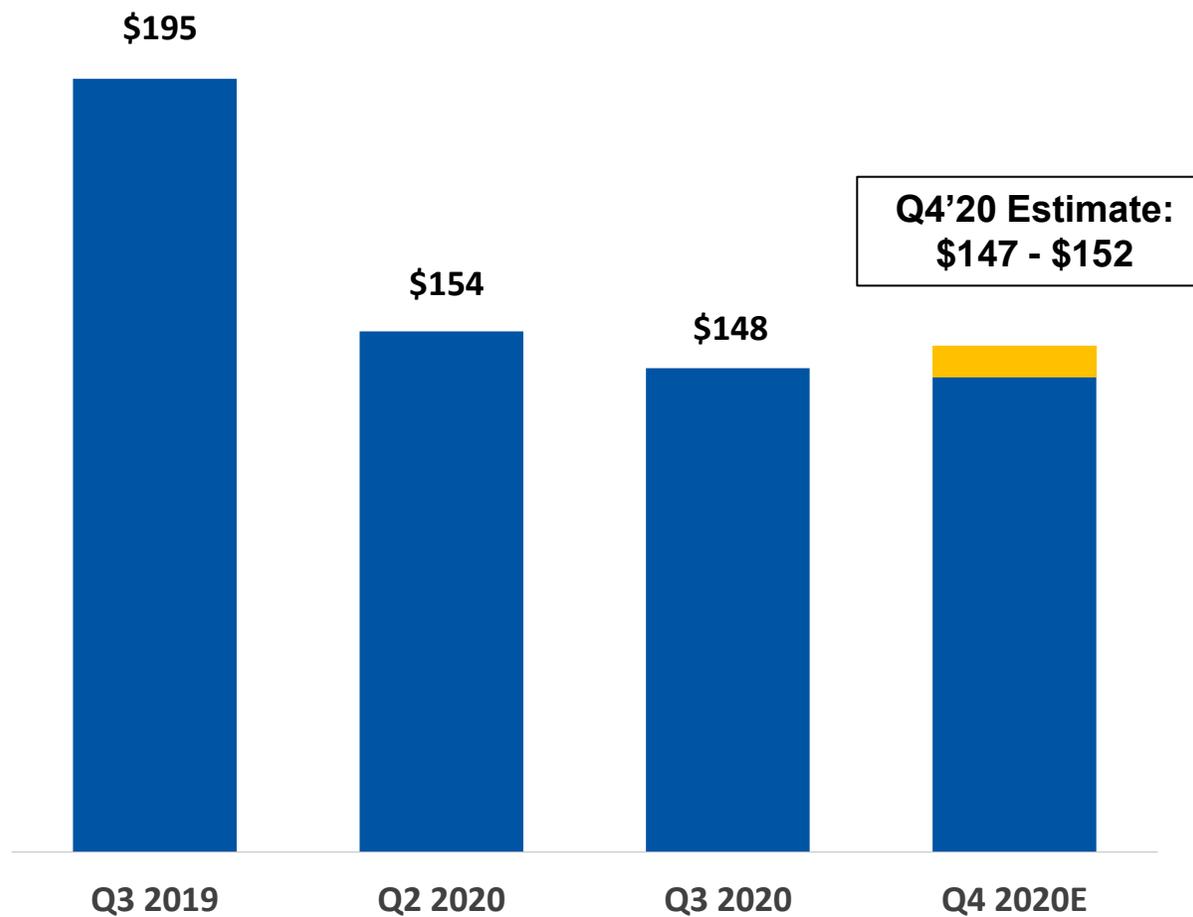


# Gross Profit by Segment (\$ in millions)

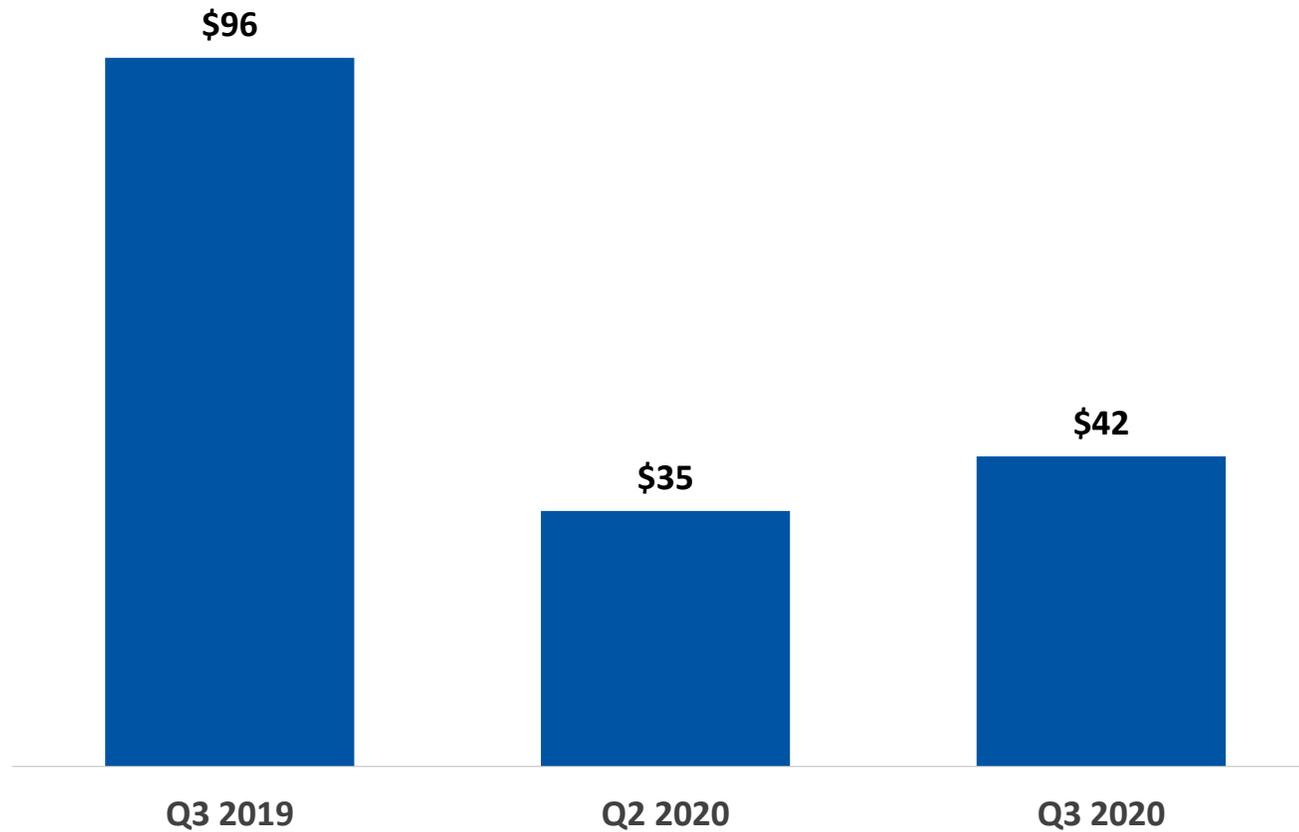


# Consolidated Operating Expenses (excluding bad debt provision)

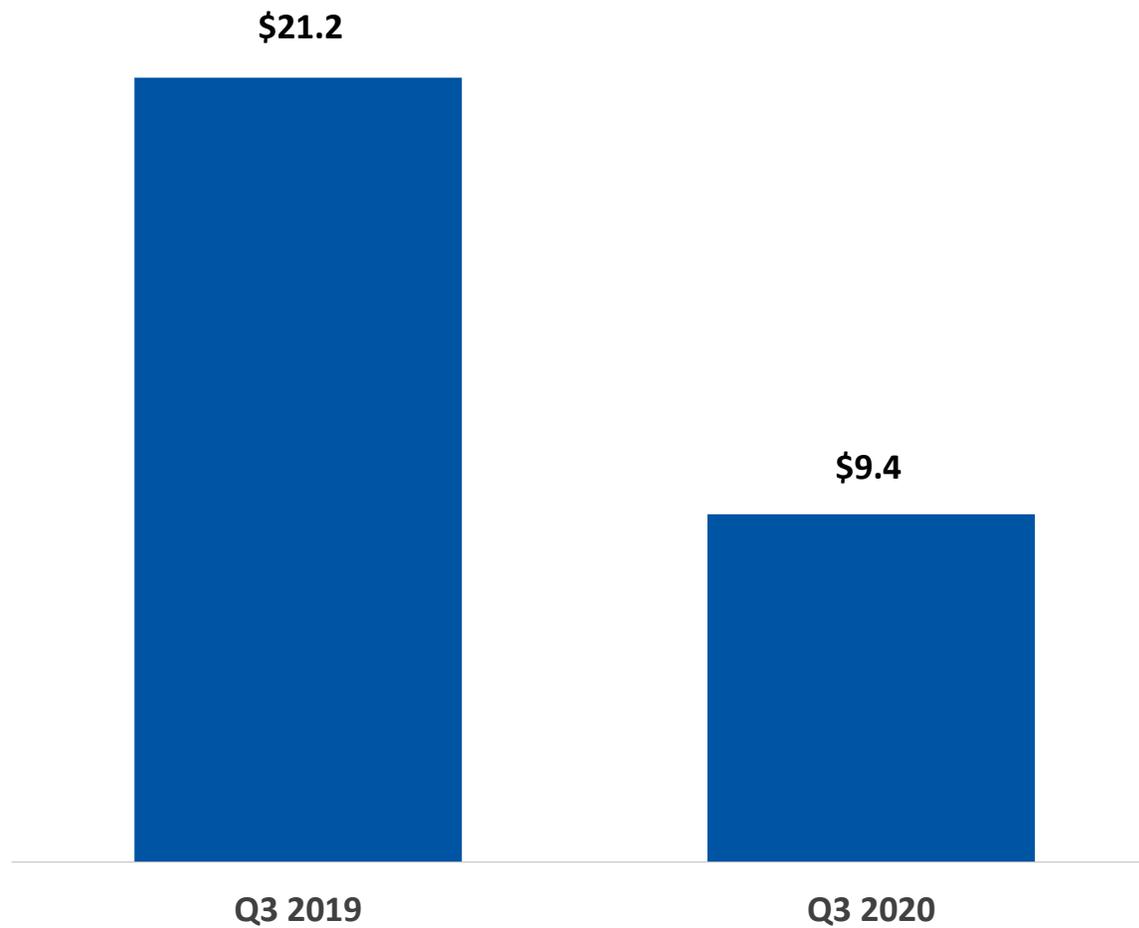
(\$ in millions)



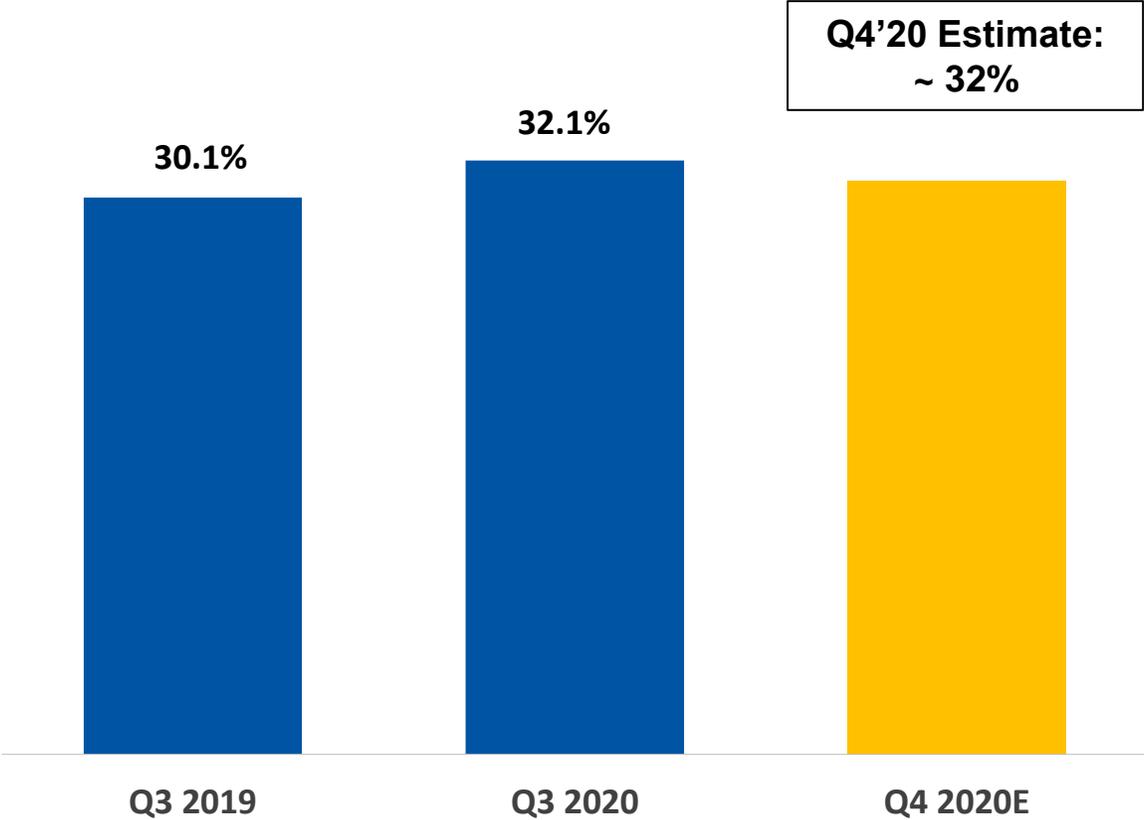
# Consolidated Income From Operations (\$ in millions)



# Interest Expense (\$ in millions)



# Effective Tax Rate



# Financial Overview

- Total Accounts Receivable balance was \$1.25 billion
- We generated \$246 million of cash flow from operations
- Reduced debt balance by \$570 million, resulting in a net cash position at quarter end



# Questions + Answers

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

|   | Q3 2019     |                          |             | Q3 2020     |                          |             |
|---|-------------|--------------------------|-------------|-------------|--------------------------|-------------|
|   | As Reported | Adjustments <sup>1</sup> | As Adjusted | As Reported | Adjustments <sup>1</sup> | As Adjusted |
| <b>Aviation</b>   |             |                          |             |             |                          |             |
| Gross Profit  | \$156.9     | \$0.0                    | \$156.9     | \$97.6      | \$0.0                    | \$97.6      |
| Operating Expenses  | 70.6        | (0.7)                    | 69.9        | 68.4        | (2.0)                    | 66.4        |
| Income from Operations                                    | 86.3        | 0.7                      | 87.0        | 29.2        | 2.0                      | 31.2        |
| <b>Marine</b>   |             |                          |             |             |                          |             |
| Gross Profit  | 53.4        | -                        | 53.4        | 32.0        | -                        | 32.0        |
| Operating Expenses  | 32.8        | (0.2)                    | 32.6        | 23.8        | (1.1)                    | 22.7        |
| Income from Operations                                    | 20.6        | 0.2                      | 20.8        | 8.2         | 1.1                      | 9.3         |
| <b>Land</b>   |             |                          |             |             |                          |             |
| Gross Profit  | 95.4        | 0.0                      | 95.4        | 84.3        | (0.0)                    | 84.3        |
| Operating Expenses  | 82.0        | (1.7)                    | 80.3        | 65.6        | (0.6)                    | 64.9        |
| Income from Operations                                    | 13.4        | 1.7                      | 15.1        | 18.8        | 0.6                      | 19.4        |
| <b>Corporate (Unallocated)</b>                            |             |                          |             |             |                          |             |
| Operating Expenses  | 26.7        | (0.3)                    | 26.4        | 17.4        | 0.3                      | 17.7        |
| Income from Operations                                    | (26.7)      | 0.3                      | (26.4)      | (17.4)      | (0.3)                    | (17.7)      |
| <b>WFS</b>  |             |                          |             |             |                          |             |
| Gross Profit  | 305.7       | 0.0                      | 305.7       | 214.0       | (0.0)                    | 214.0       |
| Operating Expenses  | 212.0       | (2.8)                    | 209.2       | 175.2       | (3.4)                    | 171.8       |
| Income from Operations                                    | 93.6        | 2.8                      | 96.5        | 38.8        | 3.4                      | 42.2        |
| Non-operating expense, net                                | 22.8        | (0.5)                    | 22.3        | (69.0)      | 80.0                     | 11.0        |
| Income before income taxes                                | 70.9        | 3.3                      | 74.2        | 107.8       | (76.6)                   | 31.2        |
| Provision for income taxes                                | 21.5        | 0.8                      | 22.3        | 25.4        | (15.4)                   | 10.0        |
| Net income (loss) attributable to noncontrolling interest | 1.2         | -                        | 1.2         | 0.5         | -                        | 0.5         |
| Net income  | \$48.2      | \$2.5                    | \$50.7      | \$82.0      | (\$61.2)                 | \$20.7      |
| Diluted earnings per common share                         | \$0.73      | \$0.04                   | \$0.77      | \$1.29      | (\$0.96)                 | \$0.33      |

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

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

|   | Sep YTD 2019 |                          |             | Sep YTD 2020 |                          |             |
|---|--------------|--------------------------|-------------|--------------|--------------------------|-------------|
|   | As Reported  | Adjustments <sup>1</sup> | As Adjusted | As Reported  | Adjustments <sup>1</sup> | As Adjusted |
| <b>Aviation</b>   |              |                          |             |              |                          |             |
| Gross Profit  | \$411.7      | \$0.0                    | \$411.7     | \$282.6      | \$0.0                    | \$282.6     |
| Operating Expenses  | 196.3        | (1.7)                    | 194.6       | 215.4        | (10.0)                   | 205.4       |
| Income from Operations                                    | 215.4        | 1.7                      | 217.1       | 67.3         | 10.0                     | 77.2        |
| <b>Marine</b>   |              |                          |             |              |                          |             |
| Gross Profit  | 125.0        | -                        | 125.0       | 128.6        | -                        | 128.6       |
| Operating Expenses  | 80.8         | (1.4)                    | 79.3        | 73.2         | (5.6)                    | 67.6        |
| Income from Operations                                    | 44.2         | 1.4                      | 45.6        | 55.4         | 5.6                      | 61.0        |
| <b>Land</b>   |              |                          |             |              |                          |             |
| Gross Profit  | 288.6        | 0.3                      | 288.9       | 275.4        | 0.0                      | 275.4       |
| Operating Expenses  | 242.4        | (2.8)                    | 239.6       | 221.2        | (9.6)                    | 211.7       |
| Income from Operations                                    | 46.2         | 3.1                      | 49.3        | 54.1         | 9.6                      | 63.7        |
| <b>Corporate (Unallocated)</b>                            |              |                          |             |              |                          |             |
| Operating Expenses  | 66.7         | (1.1)                    | 65.6        | 55.3         | (3.9)                    | 51.4        |
| Income from Operations                                    | (66.7)       | 1.1                      | (65.6)      | (55.3)       | 3.9                      | (51.4)      |
| <b>WFS</b>  |              |                          |             |              |                          |             |
| Gross Profit  | 825.3        | 0.3                      | 825.6       | 686.6        | 0.0                      | 686.6       |
| Operating Expenses  | 586.2        | (7.0)                    | 579.1       | 565.1        | (29.0)                   | 536.1       |
| Income from Operations                                    | 239.2        | 7.3                      | 246.5       | 121.5        | 29.0                     | 150.5       |
| Non-operating expense, net                                | 59.4         | (0.5)                    | 58.9        | (41.0)       | 80.0                     | 39.0        |
| Income before income taxes                                | 179.8        | 7.8                      | 187.6       | 162.4        | (51.0)                   | 111.5       |
| Provision for income taxes                                | 55.5         | 1.8                      | 57.4        | 49.0         | (10.3)                   | 38.8        |
| Net income (loss) attributable to noncontrolling interest | 1.9          | -                        | 1.9         | 0.2          | -                        | 0.2         |
| Net income  | \$122.4      | \$6.0                    | \$128.4     | \$113.1      | (\$40.7)                 | \$72.4      |
| Diluted earnings per common share                         | \$1.84       | \$0.09                   | \$1.92      | \$1.76       | (\$0.63)                 | \$1.13      |

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