



# Second Quarter 2019 Earnings Call

Thursday, July 25, 2019





# 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

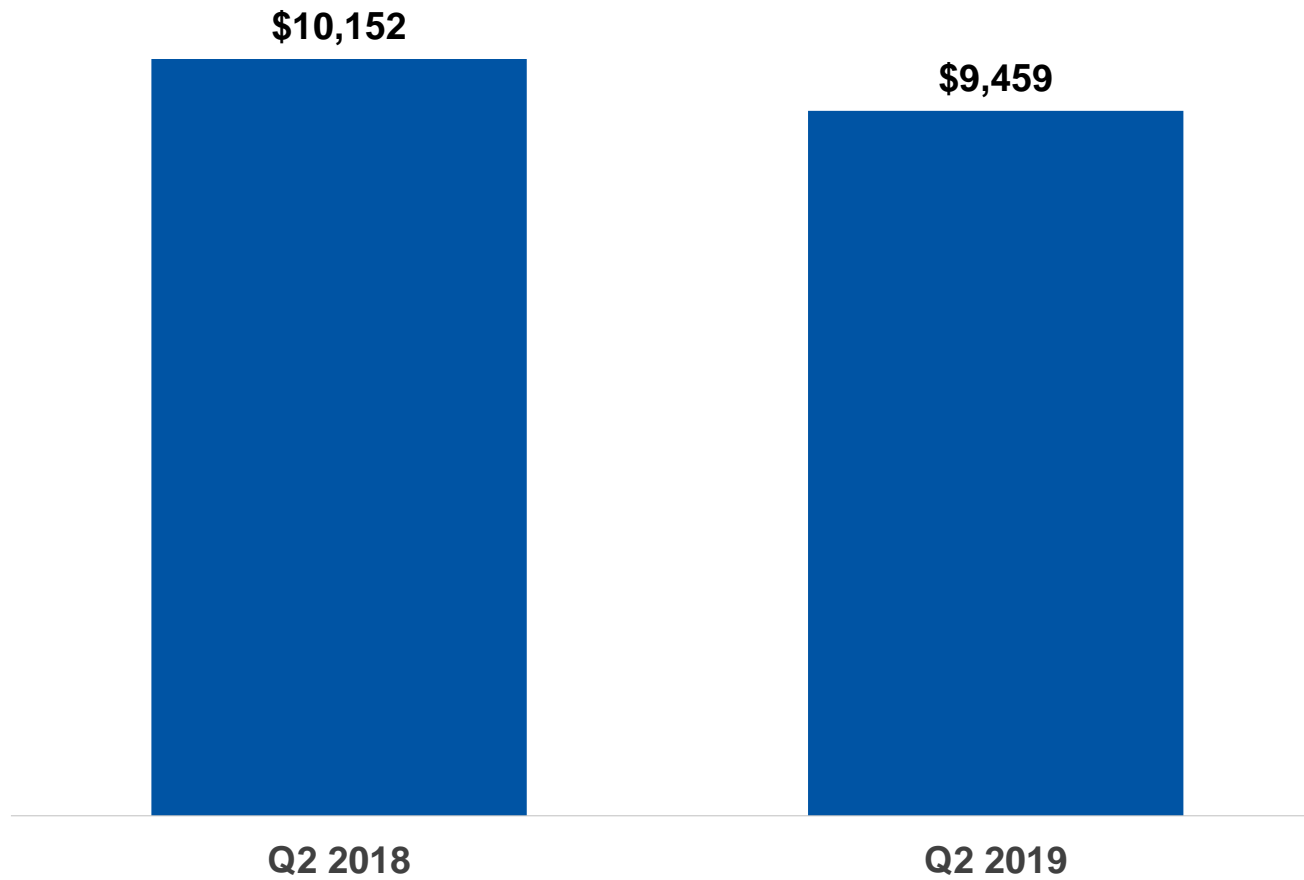
**Ira Birns**

Executive Vice President and  
Chief Financial Officer

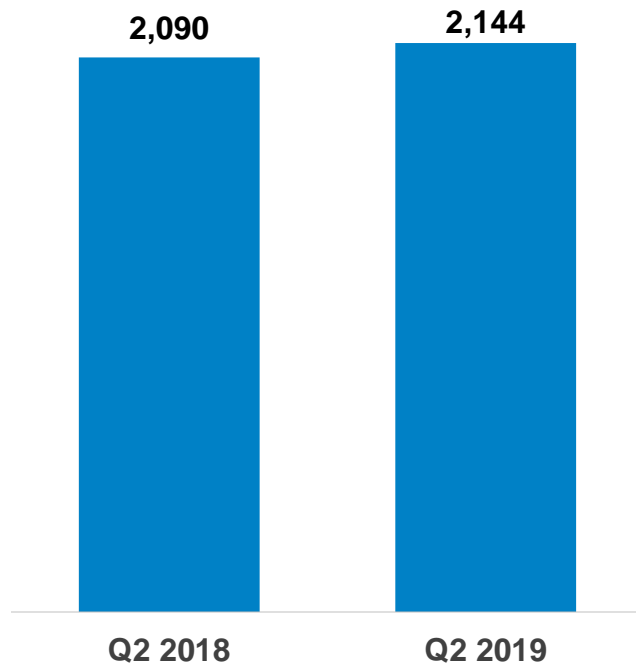
# Financial Overview

- ❑ Adjusted EBITDA for the second quarter was \$98 million, up \$14 million or 17%
- ❑ Adjusted diluted earnings per share was \$0.58, up 23% compared to Q2'18
- ❑ Generated operating cash flow of \$125 million
  - Repurchased \$65 million common stock
  - Previously announced dividend increase of 66%
  - Amended and extended bank facility further improving liquidity profile

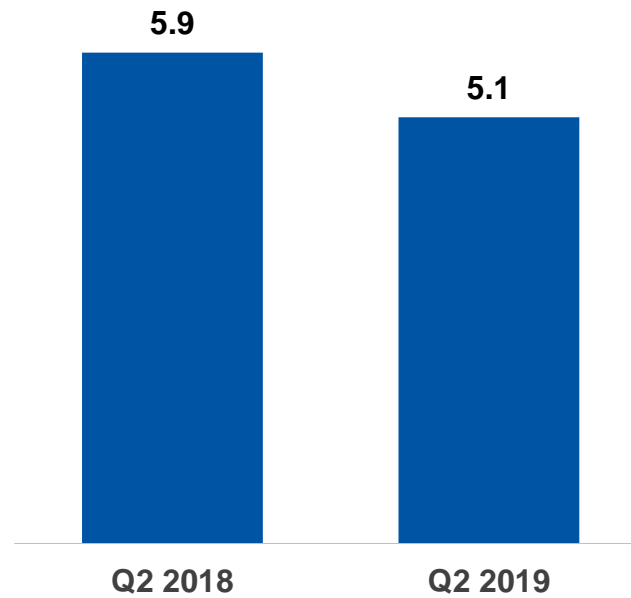
# Consolidated Revenue (\$ in millions)



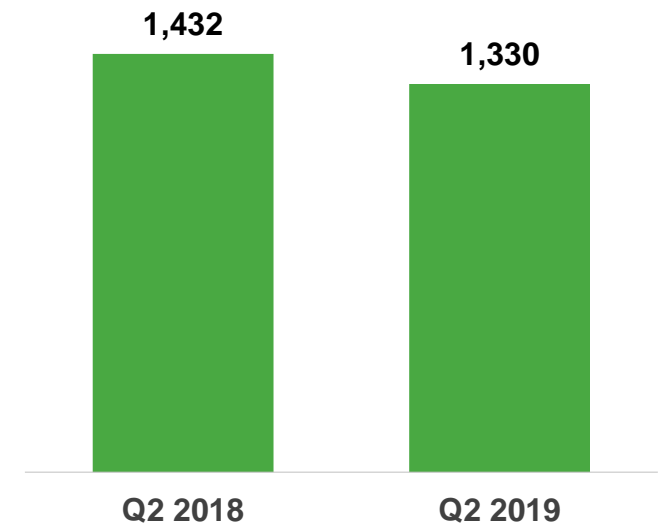
# Volume by Segment



**Aviation**  
(Gallons in millions)



**Marine**  
(Metric tons in millions)



**Land**  
(Gallons in millions)



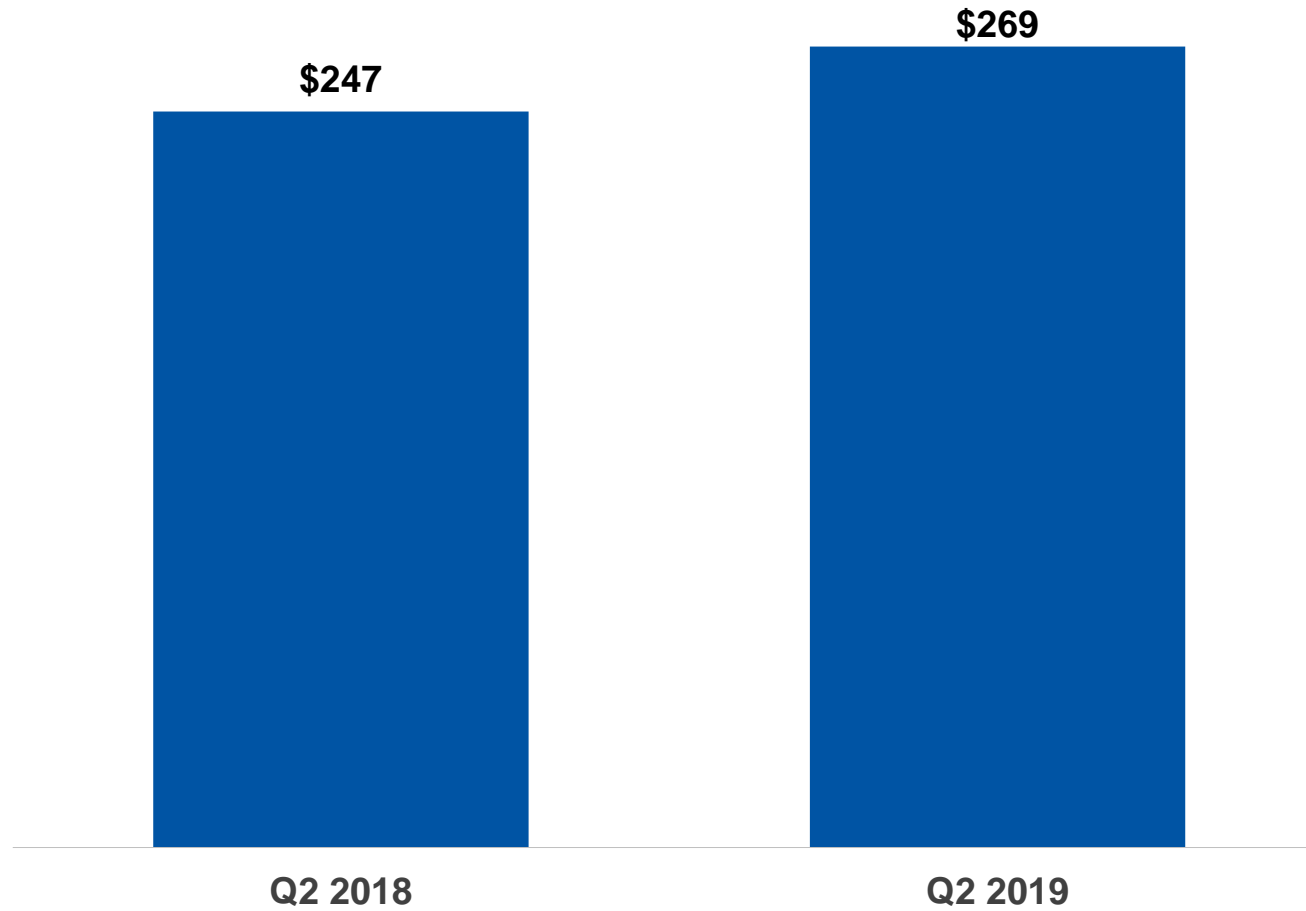
## Non-Operational Items <sup>(1)</sup> (\$ in millions)

MARINE SEGMENT.....	\$0.9
AVIATION SEGMENT .....	\$0.7
LAND SEGMENT .....	\$0.3
UNALLOCATED CORPORATE.....	\$0.4
<b>TOTAL NON-OPERATIONAL ITEMS .....</b>	<b>\$2.3</b>

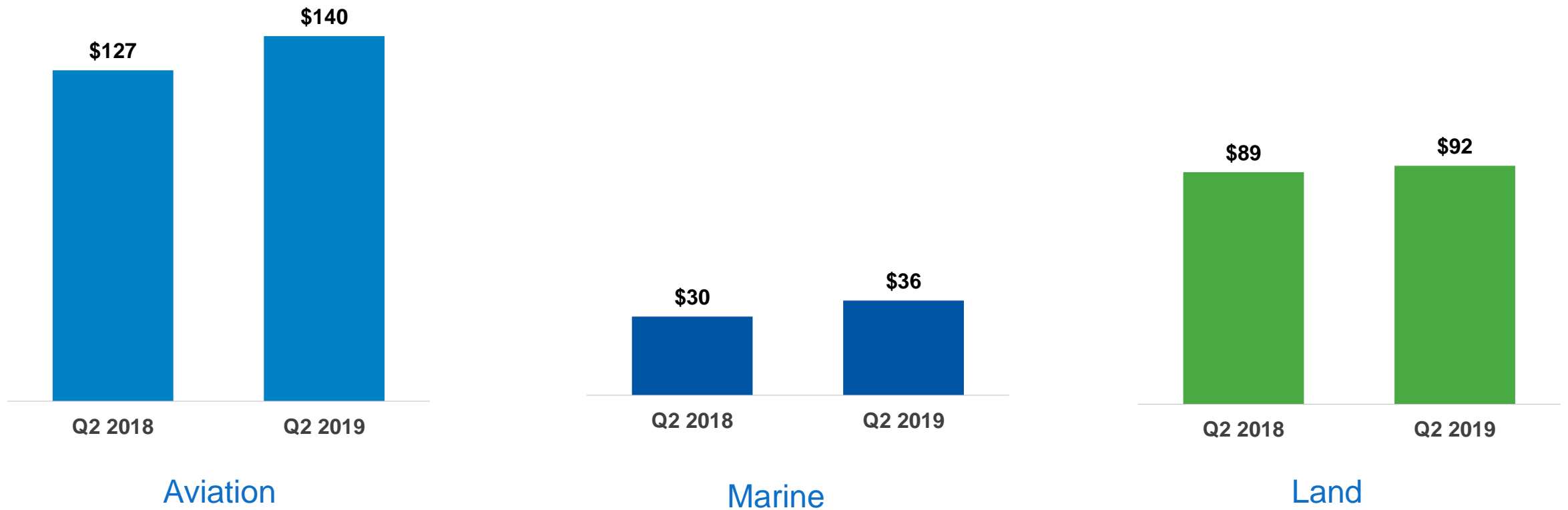
*(1) Consists of acquisition and other restructuring related charges.*



# Consolidated Gross Profit (\$ in millions)

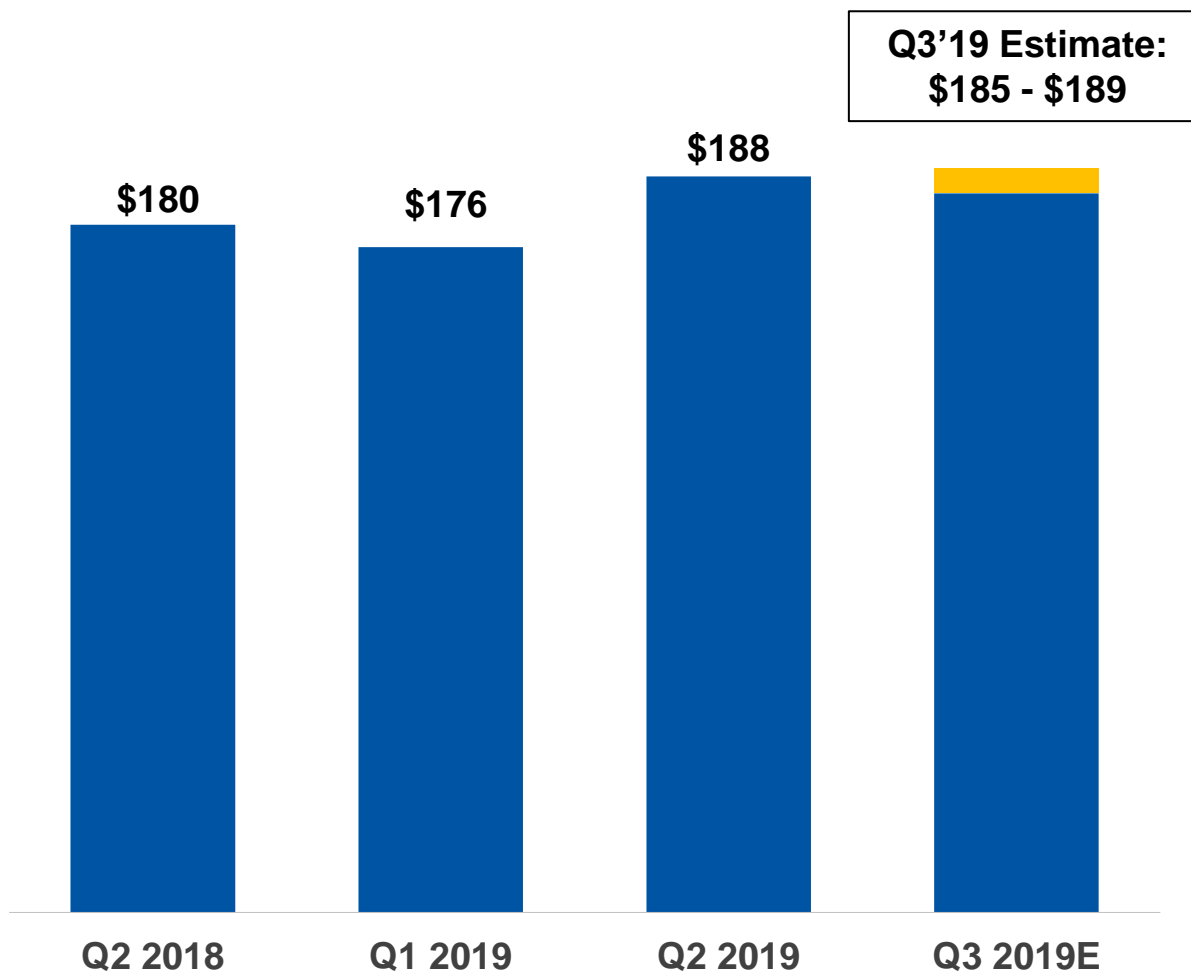


# Gross Profit by Segment (\$ in millions)

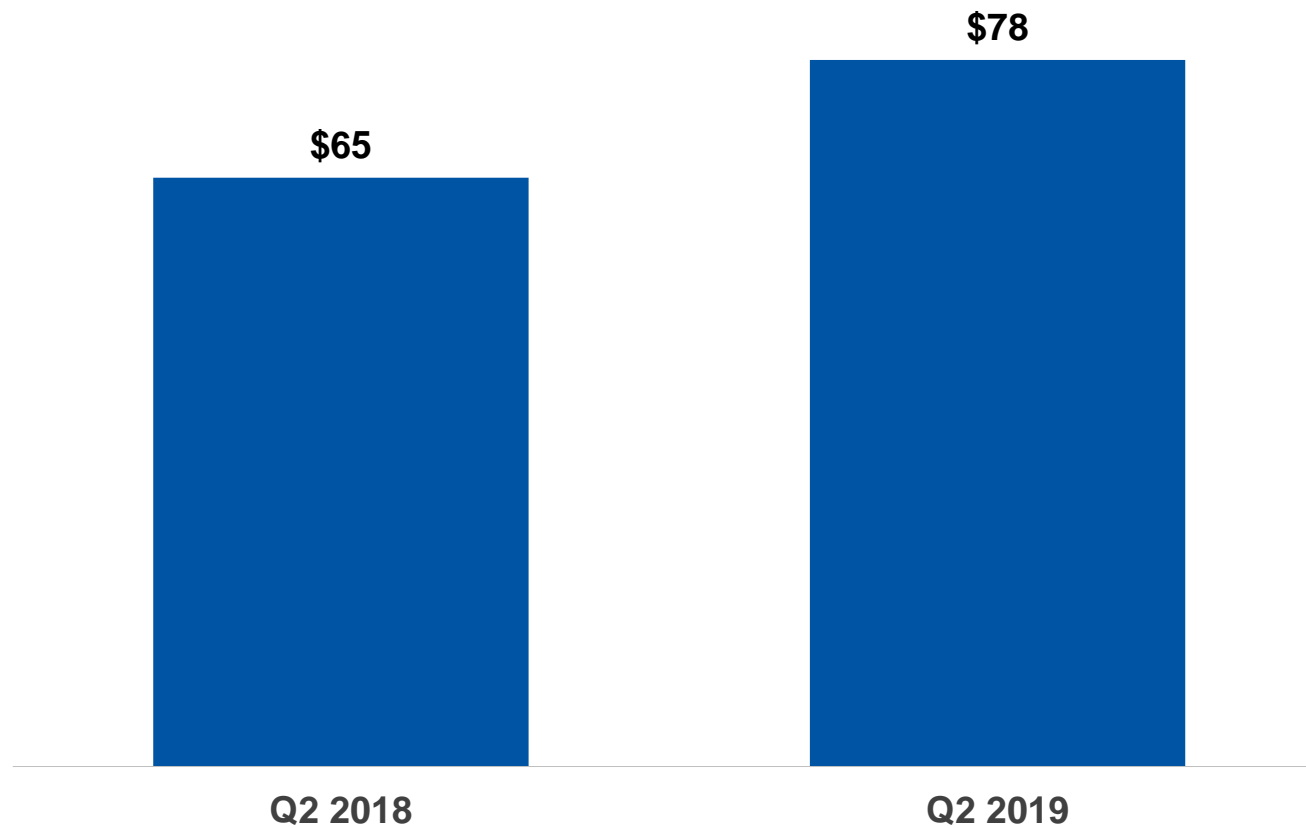


# Consolidated Operating Expenses (excluding bad debt provision)

(\$ in millions)

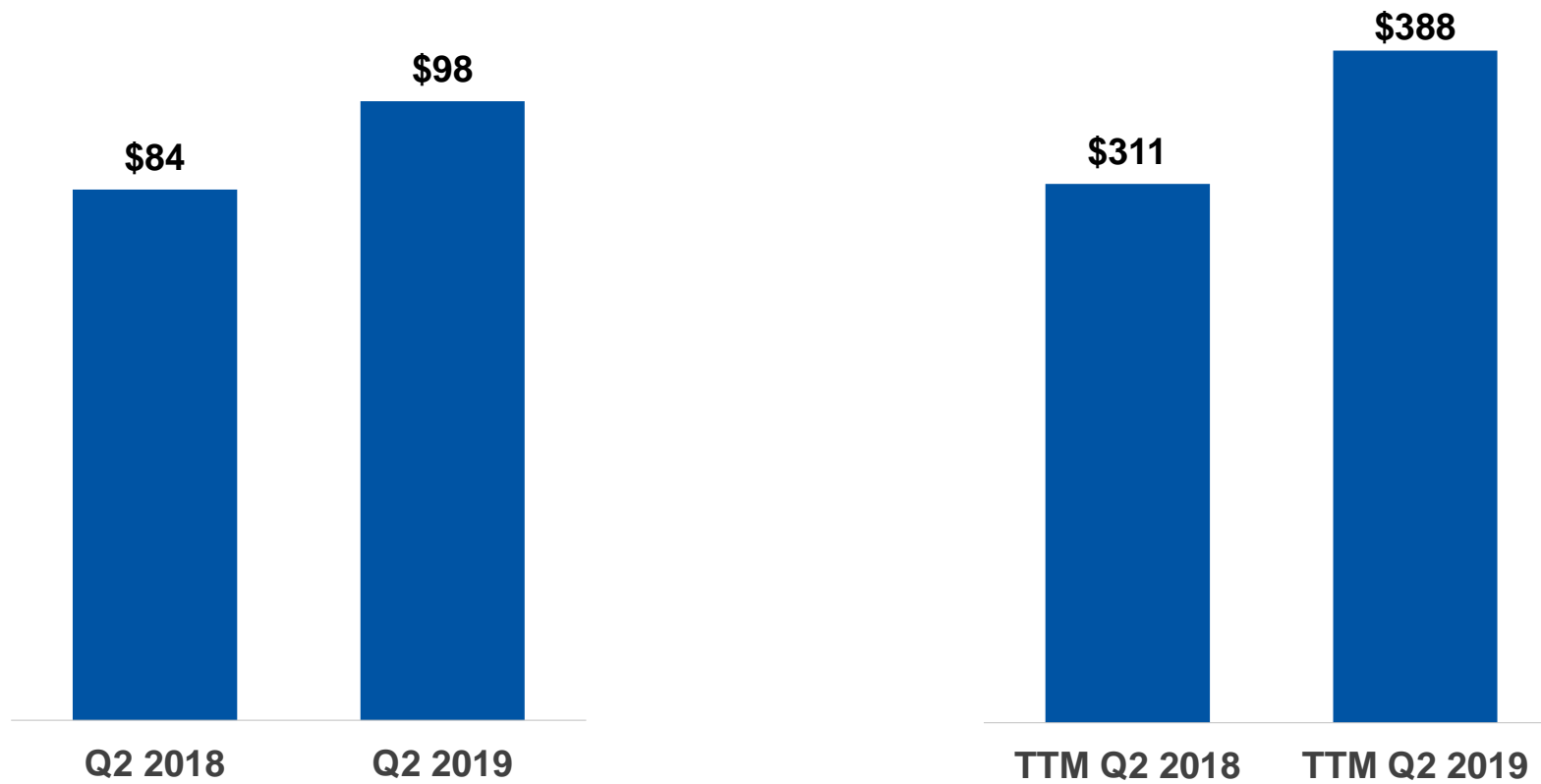


# Consolidated Income From Operations (\$ in millions)

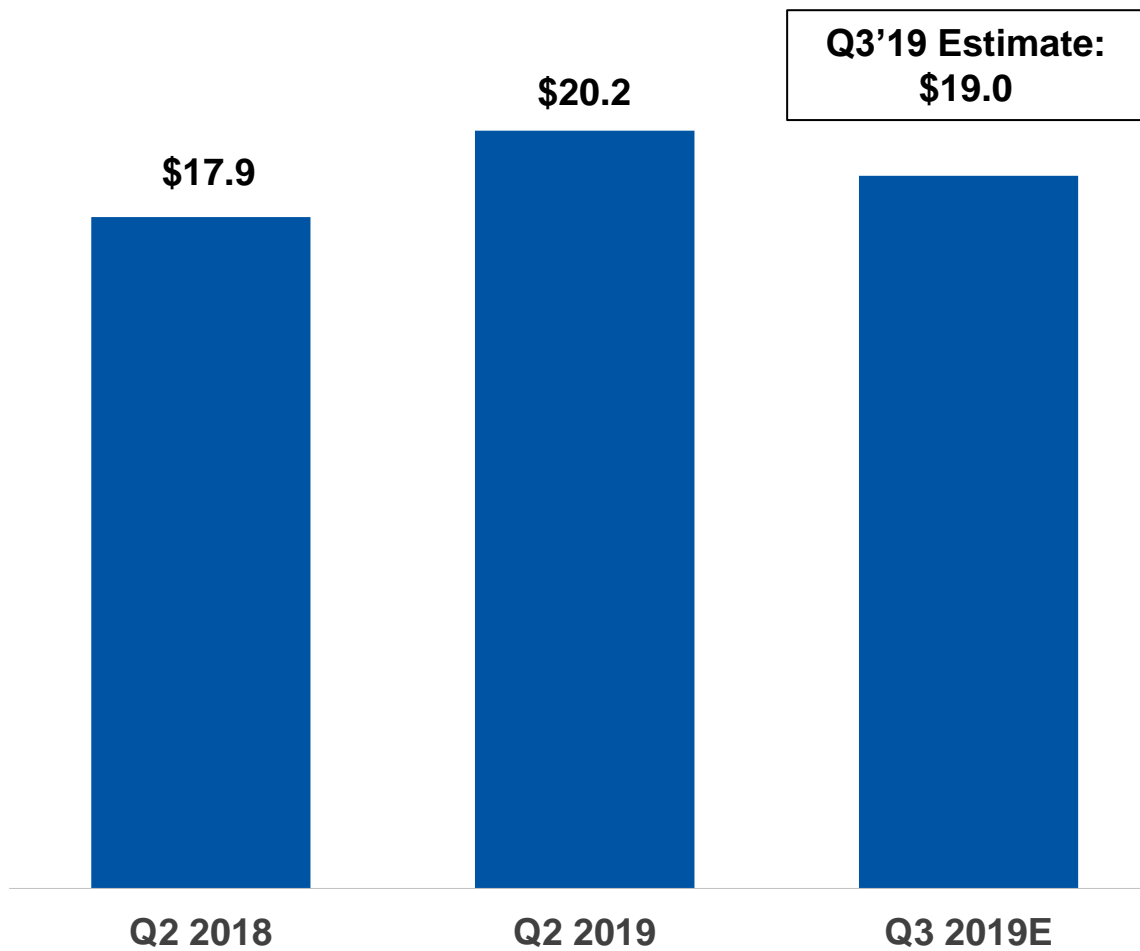




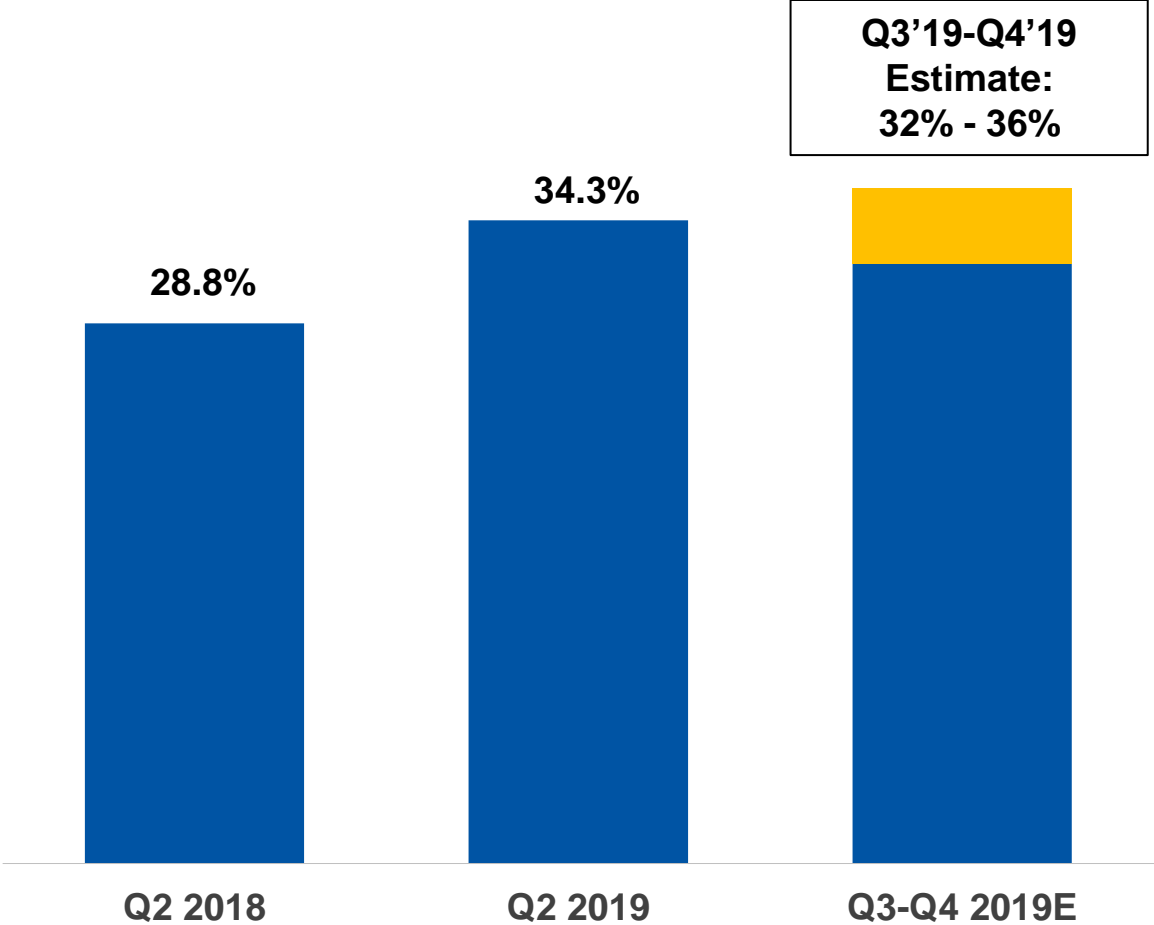
# Consolidated EBITDA (\$ in millions)



# Interest Expense (\$ in millions)

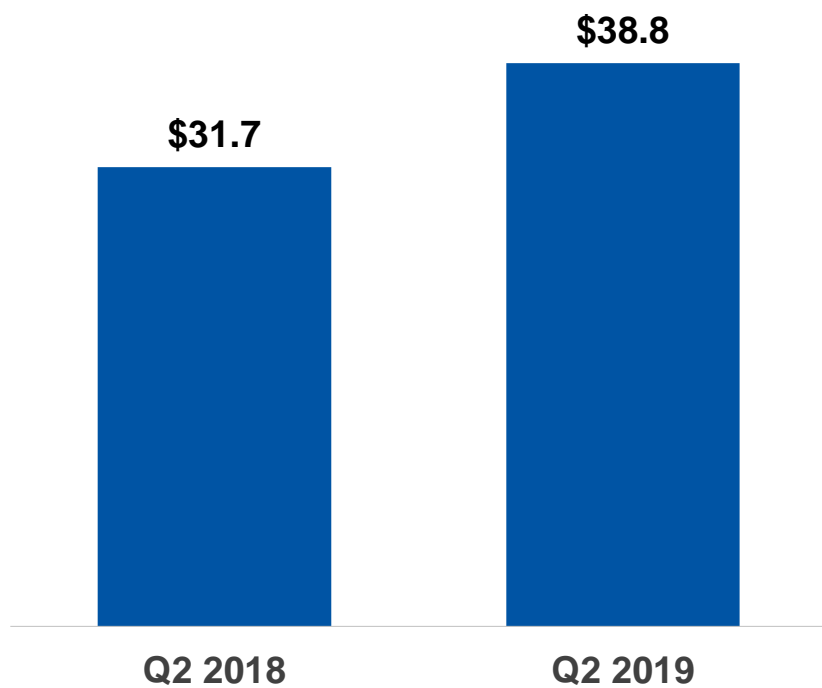


# Effective Tax Rate

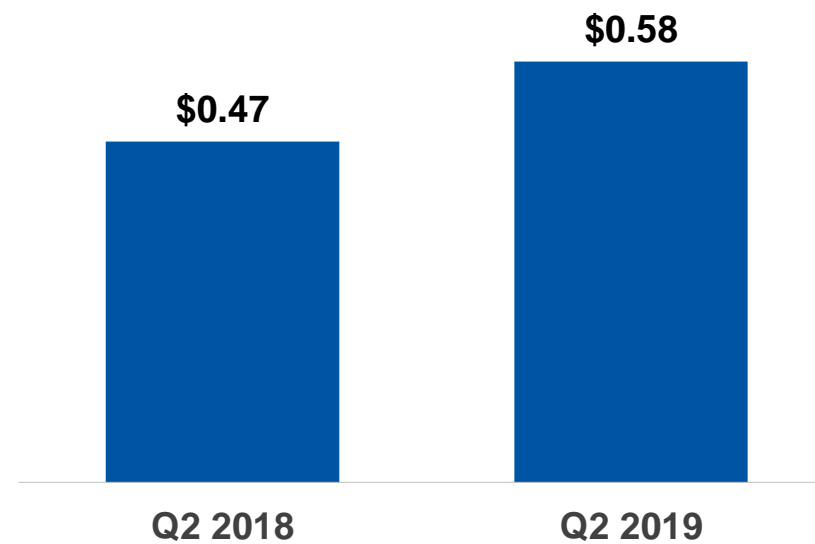


# Adjusted Net Income & Adjusted Diluted Earnings Per Share

(\$ in millions except EPS)



Adjusted Net Income



Adjusted Diluted EPS



# Balance Sheet Management

## Total Accounts Receivable

**\$2.7 Billion** at quarter end

## Cash Flow from Operations

**\$125 million** generated in the second quarter

## Net debt-to-Adjusted EBITDA

**1.2x** driven by solid working capital management

## Amended and Extended Bank Facility

Further strengthening liquidity profile





# Financial Overview

- TTM adjusted EBITDA increased to \$388 million, up 32% since Q2 2017
- Generated operating cash flow of \$373 over the past two years \*
- TTM operating expense ratio declined by 640 basis points since Q2 2017
- We repurchased \$65 million of our common stock and increased our dividend by 66%

\* Excluding adoption of new accounting standard in 2018



# Questions + Answers

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

	Q2 2018			Q2 2019		
	As Reported	Adjustments <sup>1</sup>	As Adjusted	As Reported	Adjustments <sup>1</sup>	As Adjusted
<b>Aviation</b>						
Gross Profit	\$127.4	\$0.0	\$127.4	\$140.5	\$0.0	\$140.5
Operating Expenses	63.2	(0.3)	62.9	67.0	(0.7)	66.3
Income from Operations	64.2	0.3	64.5	73.5	0.7	74.1
<b>Marine</b>						
Gross Profit	30.2	-	30.2	36.4	-	36.4
Operating Expenses	22.3	(0.2)	22.1	26.3	(0.9)	25.4
Income from Operations	7.9	0.2	8.1	10.1	0.9	11.0
<b>Land</b>						
Gross Profit	88.6	0.7	89.3	91.7	0.0	91.7
Operating Expenses	78.3	(1.6)	76.8	79.9	(0.3)	79.6
Income from Operations	10.2	2.3	12.5	11.8	0.3	12.1
<b>Corporate (Unallocated)</b>						
Operating Expenses	21.2	(0.8)	20.5	20.2	(0.4)	19.8
Income from Operations	(21.2)	0.8	(20.5)	(20.2)	0.4	(19.8)
<b>WFS</b>						
Gross Profit	246.2	0.7	246.9	268.6	0.0	268.6
Operating Expenses	185.1	(2.9)	182.3	193.4	(2.3)	191.1
Income from Operations	61.1	3.6	64.6	75.2	2.3	77.5
Non-operating expense, net	19.5	-	19.5	17.6	-	17.6
Income before income taxes	41.6	3.6	45.2	57.6	2.3	60.0
Provision for income taxes	12.4	0.6	13.0	20.0	0.5	20.5
Net income (loss) attributable to noncontrolling interest	0.5	-	0.5	0.6	-	0.6
Net income	\$28.7	\$2.9	\$31.7	\$37.0	\$1.8	\$38.8
Diluted earnings per common share	\$0.42	\$0.04	\$0.47	\$0.55	\$0.03	\$0.58

1) Adjustments are related to acquisitions and other restructuring related costs