

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_ to \_\_  
COMMISSION FILE NUMBER 001-09533



WORLD FUEL SERVICES CORPORATION  
(Exact name of registrant as specified in its charter)

**Florida**

(State or other jurisdiction of  
incorporation or organization)

**9800 N.W. 41st Street, Miami, Florida 33178**

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:

**( 305 ) 428-8000**

Securities registered pursuant to Section 12(b) of the Act

**59-2459427**

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

Title of each class

Common Stock, \$0.01 par value

Trading Symbol (s)

INT

Name of each exchange on which  
registered

New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes

No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an "emerging growth company". See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in 12b-2 of the Exchange Act). Yes  No

As of June 30, 2020, the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the market price at which the common equity was last sold was \$1,600,695,540.

As of February 19, 2021, the registrant had approximately 63,124,580 shares of outstanding common stock, par value \$0.01 per share.

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## **PART I**

### **Item 1. Business**

#### **Overview**

World Fuel Services Corporation (the "Company") was incorporated in Florida in July 1984 and along with its consolidated subsidiaries is referred to collectively in this Annual Report on Form 10-K ("2020 10-K Report") as "World Fuel," "we," "our" and "us."

We are a leading global fuel services company, principally engaged in the distribution of fuel and related products and services in the aviation, land and marine transportation industries. In recent years, we have expanded our land product and service offerings to include energy advisory services and supply fulfillment for natural gas and power to commercial, industrial and government customers. Our intention is to become a leading global energy management company offering a full suite of energy advisory, management and fulfillment services, technology solutions, payment management solutions, as well as sustainability products and services across the energy product spectrum. We will continue to focus on enhancing the portfolio of products and services we provide based on changes in customer demand, including sustainability offerings and renewable energy solutions.

We conduct our operations through numerous locations both within the United States ("U.S.") and throughout various foreign jurisdictions. Our principal executive office is located at 9800 Northwest 41<sup>st</sup> Street, Miami, Florida 33178 and our telephone number at this address is 305-428-8000. Our internet address is <https://www.wfscorp.com> and the investor relations section of our website is located at <https://ir.wfscorp.com>. We make available free of charge, on or through the investor relations section of our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") with the Securities and Exchange Commission ("SEC") as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Also posted on our website are our Code of Conduct ("Code of Conduct"), Board of Directors' committee charters and Corporate Governance Principles. Our internet website and information contained on our internet website are not part of this 2020 10-K Report and are not incorporated by reference in this 2020 10-K Report.

#### **Segments**

We operate in three reportable segments consisting of aviation, land and marine. During each of the years presented on the Consolidated Statements of Income and Comprehensive Income, none of our aviation, land or marine customers accounted for more than 10% of any segment or total consolidated revenue. Financial information with respect to our business segments and the geographic areas of our business is provided below and within "Note 13. Business Segments, Geographic Information and Major Customers" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report.

#### **Aviation Segment**

We provide global aviation fuel supply and comprehensive service solutions to major commercial airlines, second and third-tier airlines, cargo carriers, regional and low-cost carriers, airports, fixed-based operators, corporate fleets, fractional operators and private aircraft. Our aviation-related service offerings include fuel management, price risk management, ground handling, 24/7 global dispatch services, and international trip planning services, including flight plans, weather reports and overflight permits. We also supply products and services to U.S. and foreign government and military customers, such as the North Atlantic Treaty Organization ("NATO") and the U.S. Defense Logistics Agency (collectively, "government customers"). In addition, we offer card payment solutions and related processing services and technology, and we have developed and operate a web-based marketplace platform that facilitates aircraft charter arrangements.

Because fuel is a major component of an aircraft's operating costs, our customers require cost-effective and professional fuel services. We have developed an extensive network consisting of on-airport fueling operations and third-party suppliers and service providers that enable us to provide aviation fuel and related services throughout the world. We believe the breadth of our service offering combined with our global supplier network is a strategic differentiator that allows customers to secure fuel and high-quality services in locations worldwide on short notice.

We purchase our aviation fuel from suppliers worldwide. Fuel may be delivered into our customers' aircraft or to a designated storage facility located at one of our locations or our suppliers' locations pursuant to arrangements with them. Inventory is purchased at airport locations or shipped via pipelines and held at multiple locations for strategic reasons. We engage in contract sales, which are sales made pursuant to fuel purchase contracts with customers

who commit to purchasing fuel from us over the contract term. We also conduct spot sales, which are sales that do not involve continuing contractual obligations by our customers to purchase fuel from us. Our cost of fuel is generally tied to market-based formulas or government-controlled prices.

### **Land Segment**

In our land segment, we primarily offer fuel, heating oil, propane, natural gas, lubricants and related products and services to petroleum distributors operating in the land transportation market, retail petroleum operators, and industrial, commercial, residential and government customers. Our land-related services include management services for the procurement of fuel and price risk management. We primarily conduct these activities throughout most of the U.S. as well as parts of the United Kingdom ("U.K.") and Brazil. We also offer advisory and fulfillment solutions with respect to power, natural gas and other energy products, as well as sustainability consulting, renewable fuel products, and carbon management and renewable energy solutions through World Kinect, our global energy management brand, with offices in the U.S., Australia and throughout Europe. In addition, we offer transaction management services, which include government payment systems for global fuel procurement, merchant processing services, payment solutions for tolls across Europe and commercial payment programs.

In connection with our fuel marketing activities, we distribute fuel under long-term contracts to branded and unbranded distributors, convenience stores and retail fuel outlets operated by third parties. We also distribute heating oil to residential customers and unbranded fuel to numerous other customers, including commercial and industrial customers, such as manufacturing, mining, agriculture, construction, and oil and gas exploration companies. These transactions may be pursuant to fuel purchase contracts or through spot sales. In certain instances, we serve as a reseller, where we purchase fuel from a supplier and contemporaneously resell it to our customers through spot and contract sales. We also maintain inventory in certain strategic locations, including pipelines. Our cost of fuel is generally tied to market-based formulas.

Finally, we provide transportation logistics for our product deliveries, including arranging for fuel products to be delivered from storage terminals to the appropriate sites through our own fleet of trucks as well as third-party transportation providers. The fuel is generally delivered to our customers directly or to a designated tanker truck loading terminal commonly referred to as "racks," which are owned and operated by our suppliers or other third-parties.

### **Marine Segment**

Through our extensive network, we market fuel, lubricants and related products and services to a broad base of marine customers, including international container and tanker fleets, commercial cruise lines, yachts and time-charter operators, U.S. and foreign governments, as well as other fuel suppliers. We provide our customers with real-time global market intelligence and rapid access to quality and competitively priced marine fuel 24 hours a day, every day of the year. Our marine fuel-related services include management services for the procurement of fuel, cost control through the use of price risk management offerings, quality control and claims management.

We serve primarily as a reseller, where we take delivery for fuel purchased from our supplier at the same place and time as the fuel is sold to our customer. We also sell fuel from our inventory, which we maintain in storage facilities that we own or lease. In certain cases, we serve as a broker and are paid a commission for negotiating the fuel purchase transaction between the supplier and the end-user, as well as for expediting delivery of the fuel.

The majority of our marine segment activity consists of spot sales. Our cost of fuel is generally tied to spot pricing, market-based formulas, or government-controlled prices. We also contract with third parties to provide various services for our customers, including fueling of vessels in ports and at sea and transportation and delivery of fuel and fuel-related products.

## **Competitors**

We operate globally across industries that are highly fragmented with numerous competitors. Our competitors range in size and complexity from large multinational corporations, which have significantly greater capital resources than us, to relatively small and specialized firms. In our fuel distribution activities, we compete with major oil producers that market fuel directly to the large commercial airlines, shipping companies and petroleum distributors operating in the land transportation market as well as fuel resellers. We compete, among other things, on the basis of service, convenience, reliability, availability of trade credit and price. We believe that our extensive market knowledge, worldwide footprint, logistics expertise and support, the use of price risk management offerings, and value-added benefits, including single-supplier convenience, fuel quality control and fuel procurement outsourcing, give us the ability to compete within those markets.

## **Seasonality**

Our operating results are subject to seasonal variability. Our seasonality results from numerous factors, including traditionally higher demand for natural gas and home heating oil during the winter months and aviation and land fuel during the summer months, as well as other seasonal weather patterns. As such, our results of operations may fluctuate from period to period.

## **Governmental Regulation**

### *Environment*

Supplying fuel safely and securely is a top priority. We monitor and manage our operations through processes and procedures designed to avoid and minimize our effects and impacts on the environment. Our business activities are subject to substantial regulation by federal, state, local and international governmental agencies in the countries in which we operate, including those relating to the sale, blending, storage, transportation, delivery and disposal of fuel and the collection, transportation, processing, storage, use and disposal of hazardous substances and wastes. For example, U.S. federal and state environmental laws applicable to us include statutes that: (i) allocate the cost of remedying contamination among specifically identified parties and prevent future contamination; (ii) impose national ambient standards and, in some cases, emission standards, for air pollutants that present a risk to public health or welfare; (iii) govern the management, treatment, storage and disposal of hazardous wastes; and (iv) regulate the discharge of pollutants into waterways. International treaties also prohibit the discharge of petroleum products at sea.

Compliance with existing and future laws that regulate the delivery of fuel by barge, truck, vessel pipeline or car; fuel storage terminals or underground storage tanks that we own, lease or operate; or the quality of product under our control may require significant capital expenditures and increased operating and maintenance costs, particularly as we continue to expand our physical presence globally. In addition, continuing changes in environmental laws and regulations may also require capital expenditures by our customers or otherwise increase our customers' operating costs, which could in turn, reduce the demand for our products and services or impact the pricing or availability of the products we sell.

Finally, the penalties for violations of environmental laws include injunctive relief; administrative, civil or criminal penalties; recovery of damages for injury to air, water or property; and third-party damages. Some environmental laws may also impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. See "Item 1A – Risk Factors," and "Item 3 – Legal Proceedings."

### *Climate Change*

Climate change continues to be an area of focus at the local, national and international levels. As a result, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas ("GHG") emissions. In the U.S., the U.S. Environmental Protection Agency has adopted rules requiring the reporting of GHG emissions by petroleum product suppliers and facilities meeting certain annual emissions thresholds and regulating emissions from major sources of GHGs under the Clean Air Act. In addition, several states and geographic regions in the U.S. have also adopted legislation and regulations to reduce emissions of GHGs, such as the California cap-and-trade program and low carbon fuel standard obligations.

In the E.U., there is a commitment to cut carbon dioxide emissions by at least 40% by 2030 and E.U. member states have implemented a range of subsidies and incentives to achieve the EU's climate change goals. Further, emissions are regulated via a number of means, including the European Union Emissions Trading System ("EU ETS"), which is a trading system across the E.U. for industrial emissions. The EU ETS is expected to become progressively more stringent over time, including by reducing the number of allowances to emit GHGs. In other countries, regulations include the adoption of cap and trade regimes, carbon taxes, restrictive permitting, increased efficiency standards, and incentives or mandates for renewable energy.

Although the ultimate impact of these or other future measures is difficult to accurately predict, additional legislation or regulations could impose significant additional costs on us, our suppliers, our vendors and our customers, or could adversely affect demand for our energy products. The potential increase in our operating costs could include additional costs to operate and maintain our facilities, such as installing new infrastructure or technology to respond to new mandates, or paying taxes related to our GHG emissions, among others. Furthermore, changes in regulatory policies or increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could result in a reduction in the demand for hydrocarbon products that are deemed to contribute to GHGs, harm our reputation and adversely impact our sales of fuel products.

#### *Other Regulations*

We are also subject to a variety of other U.S. and foreign laws and regulations, relating to:

- labor and employment;
- workplace and driver safety;
- consumer protection;
- data privacy and protection;
- commodities trading, brokerage, derivatives and advisory services;
- credit and payment card processing and payment services;
- antitrust and competition;
- anti-money laundering, financial services, and funds transmission;
- customs laws regulating the import and export of goods; and
- other regulatory reporting and licensing requirements.

Due to the complex and technical nature of many of these laws and regulations, inadvertent violations may occur. If we fail to comply with these laws or regulations for any reason, we would be required to correct or implement measures to prevent a recurrence of any violations, which could increase our operating costs.

#### **Human Capital Resources**

At World Fuel Services, we believe that our people's passion and expertise are what differentiates us and investing in our people is a top priority. Our comprehensive approach to serving our workforce includes our commitment to our employees' growth and development, health and safety, and overall well-being. As of February 19, 2021, we employed approximately 4,300 employees globally who are based in the following regions:

Regions	% of Workforce
U.S. / Canada	45%
Europe, Middle East & Africa	40%
Latin America	10%
Asia / Pacific	5%

### *Health and Safety*

As a global energy supply and logistics company, we are committed to doing the right thing in all that we do and we continually seek to protect the health and safety of our employees, contractors, customers, suppliers and the communities in which we operate. We play a leading role in promoting best practices within the transportation industry and are closely involved in developing, setting, and maintaining health, safety and environment (“HSE”) industry standards. We have also established a set of “Rules to Live By” to help strengthen our existing Integrated Management System and drive appropriate safety behaviors and practices, which specify certain behaviors that we believe are vital to preventing workplace incidents. These zero-tolerance rules are designed to ensure the safety of our employees, contractors, customers, suppliers and communities around the world.

In addition, in response to the COVID-19 pandemic, we implemented our business continuity and emergency response plans in alignment with mandates from local authorities. To ensure the safety of our employees who are continuing to work through the pandemic, we provide instructions and regular updates on how to work safely in the COVID-19 environment. We also provide protective wear and additional training for our employees working in our on-site fueling and trucking operations and have elevated our cleaning protocols for our offices, facilities and equipment. We have also been maximizing remote work throughout our global offices and wherever possible, our employees are collaborating virtually with our customers, suppliers and each other using the information-sharing tools and technology that we have invested in during the last several years.

### *Diversity and Inclusion*

Investing in our employees is a top priority and we continually strive to provide an environment that promotes learning, growth and development to maximize our people's potential. We always seek to attract, develop and retain the most qualified people for all our positions while focusing on embedding diversity inclusion to build a unique blend of cultures, backgrounds, skills and beliefs that mirror the world we live in. We strongly believe our ongoing initiatives in minority, women and veterans hiring contribute to gains in employee retention, growth and development, which invariably lead to improved operating and financial performance. For example, we believe that the contributions of the women at World Fuel Services are instrumental for the success of our global business and therefore, we strive to seize each opportunity to encourage and support women within our organization, as we recognize the importance of empowering women to reduce the gender inequalities in our society. We recently gathered more than 200 of our female colleagues globally as part of an International Women's Day event to celebrate women's accomplishments and provided opportunities for development, networking and mentorship. These types of events offer a great platform to facilitate the exchange of experiences among our female colleagues, with the goal of empowering the women of World Fuel Services in their professional and personal lives.

### *Employee Development and Well-Being*

We place a high degree of focus on growth in position and career enhancement paths for our valued employees by providing professional development opportunities and cultivating a diverse talent pool. We offer competitive compensation comprising salaries, incentive bonuses, various forms of equity awards, and comprehensive benefits packages in each of our locations worldwide.

We are committed to supporting the health and well-being of our employees and their families, as we believe that the key to successful business operations is a healthy and competent workforce. We have identified a strong connection between employee well-being and the safety of business operations. Accordingly, we are devoted to supporting employee well-being in all dimensions, which goes beyond their physical well-being and includes support for emotional, financial and social well-being. It is a holistic approach which provides support and resources that empower our employees and their families to embrace a healthy lifestyle and we have launched various programs to build a global culture that promotes and celebrates employee health and well-being in our locations worldwide.

### *Citizenship*

We strongly believe that we can play a positive role in the communities in which we operate. At World Fuel Services, we and all of our employees are dedicated to being a good neighbor and charitable partner in all the local and global communities where we conduct our operations. We are committed to creating a positive impact in our communities, encouraging our employees to support the communities in which they live and in which we operate, and engaging with and supporting charities in all aspects of society.



Some of the charities in which we have participated recently include: Adrienne Arsht Center for the Performing Arts of Miami-Dade County; United Way; Muscular Dystrophy Association (MDA); Jet Blue Swing for Good, which supports youth-oriented charities; Folds of Honor, which provides educational scholarships to spouses and children of America's fallen and disabled service-members, and many more local and global institutions and organizations.

## Forward-Looking Statements

This 2020 10-K Report and the information incorporated by reference in it, or made by us in other reports, filings with the SEC, press releases, teleconferences, industry conferences or otherwise, contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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," "will likely result," "plan," or words or phrases of similar meaning. Specifically, this 2020 10-K Report includes forward-looking statements about (i) the impact of the coronavirus pandemic ("COVID-19") on us and our customers, including our expectations about demand, volume, profitability and the impact of fuel prices, (ii) our expectations regarding the conditions in the aviation, land, and marine markets and their impact on our business, (iii) our expectations regarding government-related activity in Afghanistan with the North Atlantic Treaty Organization (NATO) and the impact of the U.S. troop withdrawals, as well as the related profit contribution, (iv) our estimates regarding the expected benefits from our actions to reduce cost and our restructuring initiatives, including the rationalization of our global office footprint, (v) our expectations regarding our working capital, liquidity, capital expenditure requirements, (vi) our expectations and estimates regarding certain tax, legal and accounting matters, including the impact on our financial statements, (vii) our expectations regarding the financial impact and other benefits of previous acquisitions, including estimates of future expenses and our ability to realize estimated synergies, and (viii) estimates regarding the financial impact of our derivative contracts. 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, particularly for those customers most significantly impacted by the COVID-19 pandemic;
- the extent of the impact of the pandemic, including the duration, spread, severity and scope of related government orders and restrictions, on ours and our customers' sales, profitability, operations and supply chains;
- loss of, or reduced sales to a significant government customer, such as NATO;
- adverse conditions in the industries in which our customers operate, such as the current global economic environment as a result of the coronavirus pandemic;
- sudden changes in the market price of fuel or extremely high or low fuel prices that continue for an extended period of time;
- our failure to comply with restrictions and covenants in our senior revolving credit facility ("Credit Facility") and our senior term loans ("Term Loans"), including our financial covenants;
- changes in the political, economic or regulatory environment generally and in the markets in which we operate, such as IMO 2020 (defined below);
- our failure to effectively hedge certain financial risks and other risks associated with derivatives;
- 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 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, particularly in light of the impact of the pandemic on the financial markets;
- the impact of cyber and other information security-related incidents;
- currency exchange fluctuations and the impacts associated with Brexit;
- ability to effectively leverage technology and operating systems and realize the anticipated benefits;
- failure to meet fuel and other products specifications agreed with our customers;
- our ability to effectively integrate and derive benefits from acquired businesses;
- our ability to achieve the expected level of benefit from our restructuring activities and cost reduction initiatives;
- environmental and other risks associated with the storage, transportation and delivery of petroleum products;
- 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 losses;
- the impact of natural disasters, such as earthquakes and hurricanes;
- seasonal variability that adversely affects our revenues and operating results;
- 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;
- the impact of the U.K.'s exit from the European Union, known as Brexit, on our business, operations and financial condition;
- 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 and other proceedings, including the costs associated in defending any actions;
- increases in interest rates; and
- other risks, including those described in "Item 1A - Risk Factors" in our 2020 10-K Report and those described from time to time in our other filings with the SEC.

We operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all of those risks, nor can we assess the impact of all of those risks on our business or the extent to which any factor may cause actual results to differ materially from those contained in any forward-looking statement. Further, forward-looking statements speak only as of the date they are made, and unless required by law, we expressly disclaim any obligation or undertaking to publicly update any of them in light of new information, future events, or otherwise. Any public statements or disclosures by us following this report that modify or impact any of the forward-looking statements contained in or accompanying this 2020 10-K Report will be deemed to modify or supersede such forward-looking statements.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act.

## Item 1A. Risk Factors

### **Risks Related to the COVID-19 Pandemic:**

#### **The COVID-19 pandemic and related global economic impacts have had and are likely going to continue to have certain adverse effects on our business, results of operations and financial condition.**

The ongoing coronavirus pandemic and efforts to control its spread have resulted in a substantial decline in global economic activity, caused disruptions in global supply chains and created significant volatility in financial markets. Governments around the world have implemented stringent preventative measures to contain the spread of the virus, including stay-at-home orders and travel restrictions, together with business, government and school closures. These measures have resulted in reduced demand for fuel and other related products and services, negatively impacting our results of operations in 2020, and led to a decline in fuel prices beginning in early 2020. This was further exacerbated by disagreements regarding crude oil-production levels between the Organization of Petroleum Exporting Countries members and other large oil producing countries ("OPEC+"), as well as related global storage considerations. While OPEC+ members have since agreed on production cuts, there is uncertainty as to whether such agreement will continue to be observed by its members or that the agreed production cuts will be sufficient to offset continuing demand weakness.

In response to the pandemic, we took prompt action beginning in the first quarter of 2020 to ensure the safety of our employees and other stakeholders, as well as commenced a number of initiatives relating to cost reduction, liquidity and operating efficiencies throughout the balance of the year. However, it is uncertain whether such measures will be sufficient to mitigate the risks posed by the virus or a prolonged economic downturn, and our ability to successfully execute our business operations could be adversely impacted. The COVID-19 pandemic has had, and we expect will continue to have, certain negative impacts on our business, in addition to the risks described throughout this section, including, but not limited to:

- disruptions in our supply chains due to transportation delays, travel restrictions, cost increases, and closures of businesses or facilities;
- extended periods of reduced demand and volatile fuel prices that impact our sales volume and related profitability;
- delayed customer payments and payment defaults associated with customer liquidity issues and bankruptcies;
- other liquidity challenges, such as reduced availability under our senior credit facility due to financial covenant restrictions tied to our financial performance;
- losses on hedging transactions with customers arising from sudden changes in fuel prices;
- disruptions resulting from office and facility closures and changes in operating procedures, including additional cleaning and disinfecting procedures;
- possible infections or quarantining of our employees which could impact our ability to service our customers or operate our business;
- increased costs associated with the rationalization of our portfolio of businesses and other restructuring activities;
- asset impairments, including an impairment of the carrying value of our goodwill, along with other accounting charges if expected future demand for our products and services materially decreases;
- volatility in the global financial markets, which could have a negative impact on our ability to access capital and additional sources of financing in the future;
- assertion of force majeure or other claims by customers, suppliers and other third parties for their non-performance;
- reduction of our global workforce to adjust to market conditions, including increased severance costs, retention issues, and an inability to hire employees when market conditions improve;
- litigation risk and possible loss contingencies related to COVID-19 and its impact, including with respect to commercial contracts, employee matters and insurance arrangements;
- heightened risk of cybersecurity issues, as digital technologies may become more vulnerable and experience a higher rate of cyber-attacks in a remote connectivity environment; and,
- a structural shift in the global economy and its demand for fuel and related products and services as a result of changes in the way people work, travel and interact, or in connection with a global recession.

We are monitoring and continue to assess the ongoing effects of the COVID-19 pandemic on our businesses and operations. While many governments have enacted fiscal and monetary stimulus policies intended to counteract the adverse economic impact of the pandemic, the effectiveness of such actions remains uncertain. We expect the full impact of the COVID-19 pandemic, including the extent of its effect on our financial condition and results of operations, to be dictated by future developments which are highly uncertain and cannot be predicted, such as the speed and effectiveness of efforts to contain and combat the virus, including vaccine development and distribution, the possibility of subsequent widespread outbreaks and the impact of actions taken by governments and businesses in response, the ultimate impact on global economic activity and how quickly, and to what extent, normal economic and operating conditions can resume on a sustainable basis globally, as well as the extent and duration of the effect of the crisis on consumer confidence and spending.

The pandemic may also have the effect of exacerbating many of the other risks discussed in this Annual Report on Form 10-K or in our quarterly reports on Form 10-Q, which could have a material adverse effect on us. Accordingly, the occurrence of one or more of the foregoing factors could increase our costs and/or reduce the demand for our products, which could therefore have a material adverse effect on our business, financial condition, results of operations, liquidity and cash flows. For additional information on the impact of the pandemic, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Overview."

**COVID-19 pandemic related impacts affecting the aviation, marine and land transportation industries may have a material adverse effect on our business.**

The coronavirus pandemic (COVID-19) has had a significant impact on the global economy generally, as well as the aviation, land and marine transportation industries, where companies operating in these sectors have experienced substantial declines in demand arising from the various measures enacted by governments around the world to contain the spread of the virus. Commercial passenger airlines and cruise lines have been particularly impacted by the travel restrictions and stay-at-home orders, and various other customers in each of our segments have also been adversely affected by such restrictions, as well as the extended shutdown of various businesses and schools in affected regions. As a result, we experienced a sharp decline in sales volume and profitability across our aviation, land and marine segments beginning in the second quarter of 2020, which persisted throughout the balance of the year and may continue for an extended period of time. The ultimate magnitude and duration of these adverse impacts on our business will depend on the timing and extent to which the global economy, and our customers in the aviation, land and marine transportation industries in particular, recover from the current crisis and return to normalized operating levels.

**Strategic & Operational Risks:**

**We extend credit to most of our customers in connection with their purchase of fuel and services from us, and financial condition, results of operations and cash flows will be adversely affected if we are unable to collect accounts receivable.**

Our success in attracting customers has been due, in part, to our willingness to extend credit on an unsecured basis to customers as opposed to requiring prepayment, letters of credit or other forms of credit support. Even in cases where we do obtain credit enhancements, such as guarantees, offset rights, collateral or other forms of security, such rights may not be sufficient or fully collectible depending on the circumstances of the customer at the time of default. Furthermore, the diversification of our credit risk is limited, as we primarily conduct business within the aviation, land and marine transportation industries.

Our exposure to credit losses depends primarily on the financial condition of our customers and other factors beyond our control, such as the impact of the coronavirus pandemic (COVID-19) on the global transportation industry, the extent of deteriorating conditions in the world economy or in the industries we serve, significant changes in oil prices and political instability. For example, during 2020 our provision for bad debt was materially higher, principally in our aviation segment, due to the ongoing effects of the COVID-19 pandemic on the aviation industry arising from the global restrictions on air travel. While we actively manage our credit exposure and work to respond to changes in our customers' financial condition and other macroeconomic events, there can be no guarantee we will be able to mitigate these risks successfully. Substantial credit losses could have a material adverse effect on our financial condition, results of operations and cash flows.

**A material portion of our profitability is derived from sales to government customers, particularly sales to NATO in Afghanistan, and the loss or material reduction in business from such sales, would likely have a material adverse effect on our results of operations and cash flows.**

Sales to government customers represent a material portion of our profitability. In particular, sales to NATO in support of military operations in Afghanistan accounted for approximately 14% of our consolidated gross profit in 2020. The current contract for these sales to NATO has been renewed through December 2021, with an additional one-year renewal option remaining at NATO's discretion. There is no guarantee that NATO will exercise the remaining renewal option.

The level of troop deployments and military-related activities can cause our government customer sales to vary significantly and materially impact our operating results. Specifically, the U.S. government has announced its intention to significantly reduce the level of U.S. troops in the Middle East, including the troops supporting NATO in Afghanistan. In the early part of 2020, the U.S. entered into an agreement with the Taliban where it agreed to reduce the level of troops and negotiate a full withdrawal by 2021, subject to various conditions, including a peace agreement being reached between the government of Afghanistan and the Taliban. The U.S. government thereafter moved forward with a significant reduction in the level of troops throughout 2020 and we experienced a material decline in demand during 2020. While the exact timing and full impact of the troop withdrawal remain uncertain, we expect to continue to experience further reductions in demand through 2021.

Sales to government customers can also be materially impacted by factors such as supply disruptions, border closures, road blockages, hostility-related product losses, inventory shortages and other logistical difficulties that can arise when sourcing and delivering fuel in areas that are actively engaged in war or other military conflicts. Moreover, there is a risk of serious injury or loss of life of our employees or subcontractors operating in these high-risk locations. We therefore, may incur substantial operating costs as a result of, among other things, hostility-related product losses, utilizing alternate supply routes or maintaining the safety of our personnel, particularly where our facilities are likely to be targeted by terrorist activity.

Finally, due to complex supply logistics, the indefinite nature of government contracts, and the associated risks of doing business in areas engaged in war or military conflict, sales of products and services to government customers in support of military operations typically carry significantly higher net margins than sales to commercial customers. As a result, a significant decrease in sales to our government customers, or loss of a key contract, such as our NATO agreement, would result in a disproportionate reduction in our consolidated operating income and, thus, would likely have a material adverse effect on our financial condition, results of operations and cash flows.

**Changes in the market price of fuel may have a material adverse effect on our business.**

Fuel prices are impacted by many factors beyond our control, including global economic conditions, changes in global crude oil and natural gas prices, expected and actual supply and demand for fuel, the ability or willingness of OPEC to set and maintain production levels for oil, oil and gas production levels by non-OPEC countries, geopolitical conditions, laws and regulations related to environmental matters, including those mandating or incentivizing alternative energy sources or otherwise addressing global climate change, energy conservation efforts and technological advances affecting energy consumption or supply, regulatory changes in commodities markets, and weather and natural disasters.

During times of high fuel prices, our customers may not be able to purchase as much fuel from us because of their credit limits with us and the resulting adverse impact on their business could cause them to be unable to make payments owed to us for fuel purchased on credit. In addition, if fuel prices increase, our own credit limits could prevent us from purchasing enough fuel from our suppliers to meet our customers' demands or could require us to prepay for fuel purchases which would adversely impact our liquidity.

Conversely, extended periods of low fuel prices, particularly when coupled with low price volatility, can also have an adverse effect on our results of operations and overall profitability. This can occur due to many factors, such as reduced demand for our price risk management products and decreased sales to our customers involved in the oil exploration sector. Low fuel prices also facilitate increased competition by reducing financial barriers to entry and enabling existing, lower-capitalized competitors to conduct more business as a result of lower working capital requirements.

Finally, we maintain fuel inventories for competitive or logistical reasons. Because fuel is a commodity, we have no control over the changing market value of our inventory though we may manage or hedge this price exposure with derivatives. A rapid decline in fuel prices could cause a reduction in our inventory valuation, resulting in our inventory being marked down in value or the inventory itself sold at lower prices. While we attempt to mitigate these fluctuations through hedging, such hedges may not be fully effective. Accordingly, if the market value of our inventory is less than our average cost and to the extent our hedges are not effective at mitigating fluctuations in prices, we could record a write-down of inventory on hand and incur a non-cash charge or suffer losses as fuel is sold, which could adversely impact our earnings.

**Adverse conditions or events affecting the aviation, marine and land transportation industries may have a material adverse effect on our business.**

Our business is focused on the marketing of fuel and other related products and services primarily to the aviation, land and marine transportation industries, which are generally affected by economic cycles. Therefore, weak economic conditions can have a negative impact on our customers' business which may, in turn, have an adverse effect on our business. Additionally, our business and that of our customers can be adversely impacted by political instability, terrorist activity, piracy, military action, transportation, terminal or pipeline capacity constraints, natural disasters and other weather-related events that disrupt shipping, flight operations, land transportation or the availability of fuel, which may negatively impact sales of our products and services. Any additional political or governmental developments or other global health concerns or crises in the countries in which we or our customers operate, could also result in further social, economic or labor instability. Accordingly, the effects of any of the foregoing risks and uncertainties on us or our customers could have a material adverse effect on our business, results of operations and financial condition.

Finally, our business could also be adversely affected by merger activity in the aviation, land or marine transportation industries, which may reduce the number of customers that purchase our products and services, as well as the prices we are able to charge for such products and services. Larger shipping companies and airlines often have greater leverage and have a greater ability to buy directly from major oil companies and suppliers. Accordingly, this can negatively impact our value proposition to these types of customers and increases the risk of disintermediation.

**Our physical operations have inherent risks that could negatively impact our business, financial condition and results of operations.**

Operating fuel storage and distribution terminals and transporting fuel products involve inherent risks, including:

- fires, collisions and other catastrophic disasters;
- traffic accidents, injuries and loss of life;
- spills, discharges, contaminations and other releases;
- severe damage and destruction of property and equipment; and,
- loss of product and business interruption.

Any of the foregoing could result in distribution difficulties and disruptions, environmental pollution, government-imposed fines or clean-up obligations, personal injury or wrongful death claims, or damage to our properties and the properties of others. The occurrence of any of these events could also damage our reputation which could adversely affect our business, whether or not we are ultimately held financially liable for such event. While we keep business continuity plans to address these types of contingencies, our failure to timely or properly implement these plans could exacerbate the impact on the business. We generally maintain insurance for these types of events, however, certain losses may be in excess of coverage limits or outside the scope of the coverage. If we are held liable for any material damages, and the liability is not adequately covered by insurance, our financial position and results of operations would likely be adversely affected.

In addition, as we invest more heavily in physical assets in certain locations, our ability to quickly reposition our business in the event of a downturn in the economy of a particular geographic area becomes increasingly more difficult. Accordingly, we may be forced to incur significant costs in maintaining or even exiting a physical location, which would have an adverse effect on our results of operations.

Finally, some of our employees, including certain of our drivers that transport and deliver fuel products, are represented by labor unions under collective bargaining agreements. Additional unionization of our workforce or any renegotiation of current collective bargaining agreements may result in terms that are less favorable to us. Any strike, work stoppage or other dispute with our own union employees or those of third parties who provide us services could have a material adverse effect on our results of operations and cash flows.

**If we fail to provide products or services to our customers as agreed, it could adversely affect our business.**

Our business is dependent on the availability and supply of fuel and fuel related products, as well as the satisfactory performance of services by us or third parties on our behalf. If the fuel and other products we sell or the services we provide, whether directly or through a third party, fail to meet the specifications we have agreed to with customers or are mandated by law or regulation, such as the International Maritime Association's low sulfur fuel oil requirements, our relationship with our customers could be adversely affected and we could be subject to material claims and liabilities. We could also incur material liabilities if such products cause physical damage to a vessel or aircraft, bodily injury or result in assertion of substantial claims of civil liability against us. Also, adverse publicity about any allegations of contaminated products may negatively impact our business, regardless of whether such allegations are true.

Although most of our agreements with suppliers provide that we have recourse against them for products that fail to meet contractual specifications, such recourse may be time-barred or otherwise insufficient to adequately cover the liability we may incur and our ability to enforce such recourse may be limited or costly. For example, several of our supply agreements are with foreign entities, including foreign governments, and are governed by the laws of foreign jurisdictions. We may incur substantial costs in seeking to enforce our rights against a local supplier in a foreign jurisdiction and the ultimate outcome can be unpredictable. In certain markets, we also rely on a single or limited number of suppliers to sell us fuel or provide services on our behalf and therefore, we may have limited alternatives if such supplier fails to meet applicable standards or requirements. Any of the foregoing can result in material liabilities that may exceed any applicable insurance coverage and ultimately, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Climate change and the market and regulatory responses relating to GHG emissions could have a significant impact on our operations and financial results.**

Climate change continues to attract considerable public and scientific attention in the U.S. and in foreign countries. As a result, numerous proposals have been adopted and will likely continue to be made at various levels of government globally to monitor and limit GHG emissions or reduce the use of hydrocarbon-based fuels. These include the adoption of cap and trade regimes, carbon taxes, trade tariffs, minimum renewable usage requirements, restrictive permitting, increased efficiency standards, and incentives or mandates for renewable energy. In 2015, various countries adopted the Paris Agreement, which seeks to reduce GHG emissions and calls for nations to undertake efforts with respect to global temperatures and GHG emissions by submitting emission reduction goals every five years after 2020. We, along with many of our customers and suppliers, have also established goals to reduce carbon emissions throughout our supply chain. The achievement of current or future internal initiatives relating to the reduction of GHG emissions, however, may increase our costs both in the near and long-term, particularly if they require significant changes to our operations, infrastructure or business lines.

In the U.S., various federal, state and local laws and regulations have been enacted relating to GHG emissions. However, the direction of future U.S. climate change regulation is difficult to predict given the potential for policy changes under different Presidential administrations and Congressional leadership. Although the U.S. withdrew from the Paris Agreement in 2020, President Biden has signed executive orders recommitting the U.S. to the agreement and calling for the federal government to begin formulating emissions reduction goals and increasing the emphasis on climate-related risk across governmental agencies and economic sectors. It remains unclear what, if any, additional actions the Biden administration will take and to what extent any new environmental laws or regulations, or any repeal of existing environmental laws or regulations, will impact our business or that of our customers.

There have also been significant governmental incentives and consumer pressures to increase the use of alternative fuels in the U.S. and throughout the world. A number of automotive, industrial and power generation manufacturers are developing more fuel-efficient engines, hybrid engines and alternative clean power systems. The more successful these alternatives become, as a result of governmental incentives or regulations, technological

advances, consumer demand, improved pricing or otherwise, the greater the potential negative impact on pricing and demand for our fuel products and accordingly, our profitability.

Further changes in regulatory policies or any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could also result in a reduction in the demand for hydrocarbon products that are deemed to contribute to GHGs, harm our reputation and adversely impact our sales of fuel products. Numerous institutional investors and financial institutions have indicated a focus on matters affecting the environment, which may result in reduced investments in, or financing available to, industries that emit GHG emissions. Many of these groups believe that climate change will significantly influence many companies' long-term prospects and have developed environmental, social and governance standards to measure companies' performance. Unfavorable ratings under these evolving standards or benchmarks could adversely impact our business, stock price or access to capital.

Finally, the potential physical impacts of climate change on our operations are highly uncertain and vary amongst the geographic areas in which we operate. These may include changes in rainfall and storm patterns and intensities, hurricanes, changing sea levels, and changing temperatures that may impact the seasonality of our business, such as our heating oil business in the U.K. The occurrence of any of the foregoing factors could increase our costs and the prices we charge our customers, reduce the demand for our products, and therefore adversely affect our business, financial condition, results of operations and cash flows.

**Implementation of our growth strategy may place a strain on our management, operational and financial resources, as well as our information systems.**

A key element of our business strategy has been the growth of our business through acquisitions and strategic investments and divestitures. However, this growth strategy may place a strain on our management, operational and financial resources, as well as our information systems and expose us to additional risks and uncertainties, such as:

- our ability to effectively and efficiently integrate the operations, financial reporting, IT systems, technology, and personnel of acquired businesses and manage acquired businesses or strategic investments while maintaining uniform standards, risk management and controls appropriate for a public company;
- diversion of management's time and attention from other business concerns;
- potentially negative impact of changes in management on existing business relationships and other disruptions of the acquired business;
- acquiring businesses or entering into markets in which we may have no or limited direct prior experience;
- our ability to retain key employees, customers or suppliers of the acquired businesses;
- reduced liquidity if we use a material portion of our available cash or borrowing capacity to fund acquisitions;
- capital expenditure requirements that exceed our estimates and impact the return on our investment;
- assumption of material liabilities, exposure to litigation, regulatory noncompliance or unknown liabilities associated with the acquired businesses; and
- no or limited indemnities from sellers in an acquisition or ongoing indemnity obligations to purchasers in a divestiture.

These risks may result in an adverse effect on our results of operations or financial condition or result in costs that outweigh the financial benefit of such opportunities. We may also incur significant expenses in connection with these acquisitions or strategic investments or consummate potentially dilutive issuances of equity securities to fund the purchase or ongoing operations of the acquired business. This could adversely affect the market price of our common stock, inhibit our ability to pay dividends or otherwise restrict our operations.



**We may not be able to fully recognize the anticipated benefits of our acquisitions and other strategic investments.**

As part of our growth strategy, we have been pursuing acquisition opportunities and strategic investments such as joint venture arrangements or equity investments intended to complement or expand our business portfolio. The success of our growth strategy depends on our ability to find attractive acquisition or investment candidates or strategic investments and consummate such transactions on economically acceptable terms. Before making acquisitions or strategic investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each transaction. Our due diligence investigation may not reveal or highlight all relevant risks that may be necessary or helpful in evaluating such opportunity. Consequently, these transactions could result in unanticipated costs and liabilities that may impact our results of operations and increased demands on our cash resources that may, among other things, impact our ability to explore other opportunities. If our acquisitions or strategic investments do not achieve the financial results anticipated, it could adversely affect our revenues and results of operations.

We have incurred, and expect to continue incurring, expenses related to the integration of acquisitions. Transaction and integration expenses could exceed the savings and synergies that we expect to achieve in the future from the elimination of duplicative expenses and the realization of economies of scale. Any of the foregoing factors could have an adverse effect on our business, financial condition, results of operations and cash flows.

**Information technology (“IT”) failures and data security breaches, including as a result of cybersecurity attacks, could negatively impact our results of operations and financial condition, subject us to increased operating costs, and expose us to litigation.**

We rely heavily on digital technologies, including both internal and third party IT systems, network infrastructure and cloud applications and services, to support a variety of business processes and activities across our global operations. Despite our implementation of various security and other protective measures, our technology systems and those of our third-party service providers are vulnerable to damage, disability or failures due to physical theft, power outages, telecommunications failure, programming or operational errors, natural disasters and other catastrophic events. These systems are also subject to cybersecurity attacks, such as hacking, malware, ransomware, denial-of-service attacks, computer viruses, misconduct by our employees or those of third-party providers, and other unauthorized access, release, corruption or loss of data. Given the nature of cybersecurity attacks, some incidents can remain undetected for a period of time despite efforts to detect and respond to them in a timely manner. Any of the foregoing could have a material adverse effect on our cash flows, financial condition or results of operations.

Furthermore, our reliance on email transmissions over public networks also exposes us to risks associated with the failure of our employees, customers, business partners and other third parties to use appropriate controls to protect sensitive information, due to risks associated with online social engineering (e.g. phishing and impersonation), fraud and email scams. External parties may attempt to fraudulently induce employees, customers, suppliers or other users of our systems to disclose sensitive information to gain access to our data or use electronic means to induce us to enter into fraudulent transactions. While we regularly conduct employee training and implement security measures and programs designed to prevent and mitigate cybersecurity threats and online fraud and email scams, past and future occurrences of any of the foregoing could damage our brand, competitiveness and ability to conduct our business, impact our credit and risk exposure decisions, cause us to lose customers or revenues and subject us to significant remediation costs, litigation or regulatory actions, fines and penalties.

In addition, due to the large number of transactions that run through our systems each day, significant system downtime or disruption could have a material impact on our, and in the case of our technology offerings, our customers', ability to conduct business, process and record transactions, make operational and financial decisions or damage our reputation with customers or suppliers, particularly in the event of billing errors or payment delays. Similarly, if ours or any of our cloud service providers' access to cloud-based platforms and services is disrupted for any reason and leads to disruptions in our critical systems, our operations and ability to manage our business could be adversely impacted. While we seek to obtain contractual protections in our agreements with these providers, we may not have sufficient recourse against these parties in the event they experience a significant cybersecurity attack or other security breach and our or our customers' data is compromised.

As cybersecurity threats continue to evolve, we may be required to dedicate significant additional resources and incur substantial costs to modify or enhance our security measures or to investigate and remediate any vulnerabilities. Despite these efforts, we may be unable to fully anticipate or implement adequate preventive measures or mitigate potential harm. To our knowledge, we have not experienced any material losses relating to cybersecurity attacks, however, there can be no assurance that we will not suffer material losses in the future. We currently maintain insurance to protect against cybersecurity risks and incidents. However, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from such incidents.

**Sales to government customers involve unique risks that could have a material adverse effect on our business and results of operations.**

In addition to other business risks, our supply of products and services to government customers subjects us to unique risks, many of which are beyond our control. These risks include:

- dependence on government spending on defense programs, which can be negatively affected by budgetary constraints, changes in defense spending policies, government shutdowns and changes in military policies or priorities;
- contract awards that are typically made through a competitive bidding process, which can involve substantial costs and managerial time to prepare and submit bids for contracts that may not be awarded to us;
- complexities associated with government contracting, including extensive procurement regulations, contracts for indefinite delivery (where there are no guarantees on the quantity or timing of the purchases); and, the ability of government customers to unilaterally modify certain terms and conditions in existing contracts or terminate existing contracts for their convenience.

Government customers routinely audit government contractors to review contract performance, cost structure and compliance with applicable laws, regulations, and standards, as well as the adequacy of and compliance with internal control systems and policies. Any costs found to be misclassified or inaccurately allocated may not be reimbursable, and to the extent already reimbursed, may need to be refunded and could subject us to a variety of government claims. Also, any inadequacies in our systems and policies could result in payments being withheld, penalties and reduced future business. Improper or illegal activities, including those caused by our subcontractors, could subject us to civil or criminal penalties or administrative sanctions, including contract termination, fines, forfeiture of fees, suspension of payment and suspension or debarment from doing business with government agencies, any of which could materially adversely affect our reputation, business, financial condition or results of operations. See Part I. Item 1. of this 2020 10-K Report for additional details regarding applicable laws and regulations.

**Financial, Economic & Market Risks:**

**Economic, political and other risks associated with international sales and operations could adversely affect our business and future operating results.**

Because we offer fuel products and services on a worldwide basis, our business is subject to risks associated with doing business internationally, such as:

- trade protection measures and import, export and other licensing requirements, which could increase our costs or prevent us from doing certain business internationally;
- higher costs associated with hiring and retaining senior management for overseas operations;
- difficulty in staffing and managing widespread operations, which could reduce our productivity;
- changes in regulatory requirements, which may be costly and require significant time to implement;
- laws restricting us from repatriating profits earned from our activities within foreign countries;
- fluctuations in foreign currency exchange rates, including operating within economies susceptible to recessions or severe currency devaluations;
- governmental actions that may result in the deprivation of our contractual rights or the inability to obtain or retain authorizations required to conduct our business;
- political risks, including changes in governments, corruption and uncertain regulatory environments; and,
- terrorism, war, civil unrest and natural disasters and other weather-related events.

Additionally, we have substantial operations in the U.K., particularly in our land segment, and the U.K.'s exit from the E.U. in January 2020 (commonly referred to as "Brexit") may adversely affect our business in the U.K. and the relationships with our existing and future customers, suppliers and other stakeholders. After an 11-month transition period, in December 2020, the U.K. and the E.U. announced a new bilateral trade and cooperation deal which has been applied provisionally since January 1, 2021 but is subject to formal approval by the European Parliament and the Council of the European Union before it comes into effect. However, we continue to face risks associated with the unavoidable uncertainties related to Brexit and the new relationship between the U.K. and E.U., including potential disruption of our supply chains and the free movement of goods, services and people between the U.K. and the E.U. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations, including with respect to tax regulations and certain licenses or other rights granted to us under E.U. laws. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the U.K. and the other economies in which we operate. There can be no assurance that any or all of these events will not have a material adverse effect on our business operations, results of operations and financial condition.

**Our business is subject to seasonal variability, which has caused our revenues and operating results to fluctuate and can adversely affect the market price of our shares.**

Our operating results are subject to seasonal variability. Seasonality results from numerous factors, including traditionally higher demand for natural gas and home heating oil during the winter months and for aviation and land fuel relating to increased travel during the summer months, as well as other seasonal weather patterns. As such, our results for the second and third quarters of the year tend to be the strongest for our aviation segment and our results for the fourth and first quarters of the year tend to be the strongest for our land segment. However, extreme or unseasonable weather conditions can substantially reduce the demand for our products and services or significantly increase the prices of the fuel products we sell which can, in turn, adversely impact our results of operations. For example, unseasonably warm winter weather in the U.S. and U.K. in recent years has adversely impacted our results in the land segment. Furthermore, we cannot provide any assurances that the seasonal variability will continue in future periods. Accordingly, results for any one quarter may not necessarily be indicative of the results that may be achieved for such quarter the following year or for the full fiscal year. These seasonal fluctuations in our quarterly operating results can therefore adversely affect the market price of our shares.

**A material impairment of our goodwill or intangible assets could reduce our earnings or adversely impact our results of operations.**

When we acquire a business, a substantial portion of the purchase price of the acquisition may be allocated to goodwill and other identifiable intangible assets. Factors that could affect whether goodwill or intangible assets may be impaired include a decline in our stock price or market capitalization, changes in our marketing or branding strategy, reduced estimates of future cash flows in our annual operating plan and slower growth rates in our industry. Our valuation methodology for assessing impairment requires us to make judgments and assumptions based on a number of factors including industry experience, the economic environment and our projections of future operating performance. If our estimates and assumptions prove to be incorrect, there is the potential for a partial or total impairment of the carrying amount of goodwill within one or more of our reporting units.

In the past, we have recorded impairment charges in connection with various factors such as exiting certain markets or lines of business. Due to continual changes in market and general business conditions, we cannot predict whether, and to what extent, our goodwill and long-lived intangible assets may be impaired in future periods. Any resulting impairment loss would have a negative effect on our results of operations. See Note 7. "Goodwill and Identifiable Intangible Assets" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" for more information.

**We may be unable to realize the level of benefit that we expect from our restructuring activities and cost reduction initiatives which may hurt our profitability and our business otherwise might be adversely affected.**

We have in the past and may, in the future, divest of certain non-core assets, exit lines of businesses that are not achieving the desired return on investment or generate low or highly variable economic value, or otherwise restructure certain of our operations to improve operating efficiencies, cost competitiveness and profitability. We have also engaged in various cost reduction initiatives and restructuring activities in recent years and expect to continue to evaluate areas for additional restructuring and cost reduction opportunities, as well as potential divestitures. We may not be able to achieve the level of benefit that we expect to realize from our past or future restructuring activities or divestitures. For example, we may be unable to produce returns on the reinvestment of proceeds that are greater than that of the divested activity. Further, these types of restructuring activities could result

in unintended consequences such as diversion of our management and employees' attention from ongoing business operations, business disruption, including as a result of any interconnectivity between our retained business and the one divested, attrition beyond any planned reduction in workforce, potential loss of key customers, inability to attract or retain key personnel and reduced employee productivity or morale, which could adversely affect our business. Finally, restructuring activities and divestitures may result in restructuring charges and material write-offs, including those related to goodwill and other intangible assets, as well as ongoing indemnity obligations to purchasers, any of which could have a material adverse effect on our results of operations and financial condition.

**We face intense competition and, if we are not able to effectively compete in our markets, our revenues and profits may decrease.**

Competitive pressures in our markets could adversely affect our competitive position, leading to a possible loss of market share or a decrease in prices, either of which could result in decreased revenues and profits. Our competitors are numerous, ranging from large multinational corporations, which have significantly greater capital resources than we do, to relatively small and specialized firms. Industry developments, such as fuel price transparency, procurement technology tools, increased regulation and increasing customer sophistication may, over time, reduce demand for our services and thereby exacerbate the risks associated with competition. In addition, we rely on a single or limited number of suppliers for the provision of fuel and related products and services in certain markets. These parties may have significant negotiating leverage over us, and if they are unable or unwilling to supply us on commercially reasonable terms, our business would be adversely affected.

In addition to competing with resellers, we also compete with the major oil producers that market fuel and other energy products directly to the large commercial airlines, shipping companies and commercial and industrial users. In recent years, a low fuel price environment has caused many major oil companies to remain in or re-enter the downstream markets. Our business could be adversely affected and subject to the risk of disintermediation if our suppliers choose to increase their direct marketing to compete with us or provide less advantageous price and credit terms to us than to our fuel reseller competitors.

**Our business is dependent on our ability to adequately finance our capital requirements and fund our investments, which, if not available to us, would impact our ability to conduct our operations.**

We rely on credit arrangements with banks, suppliers and other parties as an important source of liquidity for capital requirements not satisfied by our operating cash flow. Future market volatility, generally, and persistent weakness in global energy markets may adversely affect our ability to access capital and credit markets or to obtain funds at low interest rates or on other advantageous terms. If we are unable to obtain credit on acceptable terms or at all, such as in the event there is a substantial tightening of the global credit markets or a substantial increase in interest rates, it could have a negative impact on our liquidity, business, financial condition, and cash flows, as well as our future development and growth. In addition, if we are unable to obtain debt or other forms of financing and instead raise capital through equity issuance, existing shareholders would be diluted.

Our business is also impacted by the availability of trade credit to fund fuel purchases and an actual or perceived decline in our liquidity or business could cause our suppliers to reduce our credit lines, seek credit support in the form of additional collateral or otherwise materially modify their payment terms. Adverse changes in our payment terms from principal suppliers, including shortened payment cycles or requiring prepayment, could impact our liquidity, business, results of operations and cash flows.

Finally, our Credit Facility and Term Loans impose certain operating and financial covenants on us, which, among other things, restrict our ability to pay dividends or make certain other restricted payments, incur additional debt, create liens and sell a material amount of assets. Our failure or inability to comply with the requirements of these facilities, including meeting certain financial ratios or other covenants, could limit the availability under our Credit Facility or result in an event of default. An event of default, if not cured or waived, would permit acceleration of any outstanding indebtedness under these facilities, could trigger cross-defaults under other agreements to which we are a party (such as certain derivative contracts), and would impair our ability to obtain working capital advances and letters of credit, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**Our derivative transactions with customers, suppliers, merchants and financial institutions expose us to price and credit risks, which could have a material adverse effect on our business.**

As part of our price risk management services, we offer customers various pricing structures for the purchase of energy products, including derivatives products designed to hedge exposure to fluctuations in energy prices. In the ordinary course of business, we enter into fixed forward contracts with some of our counterparties under which we agree to sell or purchase certain volumes of energy products at fixed prices. In addition, we may act as a counterparty in over-the-counter swap transactions with some of our customers where the customer may be required to pay us in connection with changes in the price of the underlying energy product. Further, we may use derivatives to hedge price risks associated with our fuel inventories and purchase and sale commitments. We typically hedge our price risk in any of the foregoing types of transactions by entering into derivative instruments with large energy companies, trading houses and financial institutions.

If we have not required a customer to post collateral in connection with a fixed forward contract or swap transaction and there is an outstanding mark-to-market liability owing, we will have effectively extended unsecured credit to that customer and such amounts could be substantial. Based on the volatility of energy prices, our counterparties may not be willing or able to fulfill their obligations to us under their fixed forward contracts or swap transactions. In such cases, we would be exposed to potential losses or costs associated with any resulting default. For example, in the event the spot market price of fuel at the time of delivery is substantially less than the fixed price of the contract with the customer, a customer could default on its purchase obligation to us and purchase the fuel at a lower "spot" market price from another supplier. Meanwhile, we may have entered into a corresponding commitment with a supplier to offer our customer specified fixed pricing or terms and would be obligated to perform our fixed price purchase obligations to such supplier. Similarly, the counterparties with whom we may hedge our price risk exposure may not be willing or able to fulfill their obligations to us under their swap transactions.

If we are unable to recover losses from a defaulting counterparty, we could sustain substantial losses that would likely have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, our hedging activities also result in additional costs and can require cash deposits for margin calls. If there is a sudden significant change in fuel prices, the amount of cash necessary to cover margin calls can be material and impact our liquidity.

**We are exposed to various risks in connection with our use of derivatives which could have a material adverse effect on our results of operations.**

We enter into financial derivative contracts primarily to mitigate the risk of market price fluctuations in energy products, to offer our customers energy pricing alternatives to meet their needs, to manage price exposures associated with our inventories, and to mitigate the risk of fluctuations in foreign currency exchange rates. However, our efforts to hedge our exposure to fluctuations in energy prices and exchange rates may be ineffective in certain instances. For example, we hedge jet fuel prices with derivatives tied to other petroleum products that have historically been correlated to aviation jet fuel (e.g. heating oil in the U.S. or gasoil in Europe or Asia). If the price of aviation jet fuel at a specific location experiences a divergence to historical correlations, our attempts to mitigate price risk associated with our aviation business may not be effective. Moreover, there may be times where the change in the price of jet fuel at a specific location is disrupted (e.g. hurricanes) and is not correlated to the underlying hedges when compared to historical prices.

We may also enter into proprietary derivative transactions, which are not intended to hedge our own risk but rather make a profit by capitalizing on arbitrage opportunities associated with basis, time, quality or geographic spreads related to the energy products we sell. Proprietary derivative transactions, by their nature, expose us to changes in the underlying commodity prices of the proprietary positions taken. Although we have established limits on such exposure, any adverse changes could result in losses which can be further exacerbated by volatility in the financial and other markets. In addition, our employees may fail to comply with our policies and procedures with respect to hedging or proprietary trading, such as engaging in unauthorized trading activity, failing to hedge a specific price risk or failing to comply with our internal limits on exposure or any applicable statutory or regulatory requirements. Furthermore, the enforceability of our derivative transactions may depend on our compliance with applicable statutory, commodity and other regulatory requirements, which if violated could lead to our derivative transaction being voided, as well as penalties and fines. The impact of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Finally, many of our derivative transactions are not designated as hedges for accounting purposes, and therefore, changes in the fair market value of these derivatives are reflected as a component of revenue or cost of revenue (based on the underlying transaction type) in our consolidated statements of income and comprehensive income. Since the fair market value of these derivatives is marked to market at the end of each quarter, changes in the value of our derivative instruments as a result of gains or losses may cause our earnings to fluctuate from period to period.

**Legal & Regulatory Risks:**

**Changes in U.S. or foreign tax laws or adverse outcomes from governmental challenges to our tax position could adversely affect our business and future operating results.**

We are subject to various U.S. and foreign taxes, including income taxes and taxes imposed on the purchase and sale of aviation, marine and land fuel products, such as sales, excise, value-added tax ("VAT"), energy, environmental and other taxes. We have also benefited from an income tax concession in Singapore since 2008, which reduces the income tax rate on qualified sales and derivative gains and losses. Our current five-year concession period began January 1, 2018 and is conditional upon our meeting certain employment and investment thresholds which, if not met, may eliminate the benefit beginning with the first year in which the conditions are not satisfied. Our operating results and cash flows could be adversely affected by changes in our tax expense and the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates or our overall profitability, changes in tax legislation, our failure to comply with tax regulations or the loss of the tax concession.

Furthermore, significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. Our tax expense includes estimates of additional tax that may be incurred for tax exposures and reflects various estimates and assumptions, including assessments of future earnings that could affect the valuation of our net deferred tax assets. We are regularly audited by various domestic and foreign tax authorities and are involved in various inquiries, audits, challenges and litigation in a number of countries, including Brazil, Denmark, South Korea and the U.S., where the amounts under controversy may be material. We are in the process of addressing and responding to inquiries in various jurisdictions and challenging a number of tax assessments in several administrative and legal proceedings, each of which is at various stages in the process. In some jurisdictions, these challenges require the posting of collateral or payment of the contested amount, which may affect our flexibility in operating our business or our liquidity.

Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different than what is reflected in our income tax provisions and accruals. If these challenges are ultimately determined unfavorably to us, these proceedings may have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, any failure to comply with applicable laws and regulations or appropriately resolve these challenges could subject us to administrative, civil or criminal penalties, including fines, penalties, disgorgement, injunctions and damage to our reputation. See "Note 9. Commitments and Contingencies" and "Note 11. Income Taxes" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report for additional details regarding certain tax matters.

Tax rates in the various jurisdictions in which we and our subsidiaries are organized and conduct operations may also change significantly as a result of political or economic factors beyond our control. For example, in December 2017, the U.S. enacted comprehensive tax legislation referred to as the Tax Cuts and Jobs Act (the "Tax Act"), which among other things, reduced the U.S. federal statutory tax rate and broadened the corporate tax base through the elimination or reduction of deductions, exclusions, and credits. In addition, the Tax Act required a one-time transitional tax on foreign cash equivalents and previously unremitted earnings. The final impact of the transition tax and other aspects of the Tax Act may differ from our estimates, possibly materially, due to, among other items, changes in interpretations of the Tax Act, any legislative action to address questions that arise because of the Tax Act, or any actions taken under the new administration to repeal or otherwise amend the Tax Act.

Finally, ongoing developments including the project by the Organisation for Economic Co-operation and Development ("OECD") on Base Erosion and Profit Shifting ("BEPS"), European Commission anti-tax avoidance directives ("ATAD"), and other initiatives, could adversely affect our worldwide effective tax rate. With the finalization of specific actions contained within the OECD's BEPS study, many OECD countries have begun to implement the actions and update their local tax laws, including ATAD directives. The extent to which countries in which we operate adopt and implement these actions could have a material adverse impact on our income tax expense, effective tax rate, financial condition, and results of operations and cash flows.

**Our business is subject to extensive laws and regulations, including environmental protection, health and safety, that can result in material costs and liabilities.**

We are required to comply with extensive and complex laws and other regulations at the international, federal, state/provincial and local government levels in the countries in which we operate. See Part I. Item 1. For additional information about laws and regulations applicable to our business. In particular, laws and regulations relating to environmental protection and occupational safety and health, can be particularly complex and can impose strict liability on us for remediation of spills and releases of oil and hazardous substances without regard to whether we were negligent or at fault. Violations of these laws and regulations, or any future environmental law or regulation, could result in significant liability, including administrative, civil or criminal penalties, fines, injunctions, or the suspension or termination of our operations at an affected area. We may also be held responsible for remediation costs for natural resource damages as well as third-party damages. In our marine segment, we utilize fuel delivery barges and store refined products adjacent to water, thereby potentially subjecting us to strict, joint, and potentially unlimited liability for removal costs and other consequences of where a spill is into navigable waters, along shorelines or in the exclusive economic zone of the U.S. Any of these occurrences and any resulting negative media coverage could have a material adverse effect on our stock price and on our business, financial condition, results of operations and cash flows.

In addition, increasingly stringent U.S. and foreign environmental laws and regulations have resulted and will likely continue to increase our operating costs. For example, compliance with existing and future laws that regulate the delivery of fuel by barge, truck, vessel, pipeline or railcar; or fuel storage terminals or underground storage tanks that we own, lease or operate may require significant capital expenditures and increased operating and maintenance costs, particularly as we acquire businesses with more physical assets. In addition, continuing changes in environmental laws and regulations may also require capital expenditures by our customers or otherwise increase our customers' operating costs, which could in turn, reduce the demand for our products and services or impact the pricing or availability of the products we sell. Although the ultimate impact of any regulations is difficult to predict accurately, the occurrence of any of the foregoing could have an adverse effect on our business or on the businesses of our customers.

**The data that we collect may be vulnerable to breach, loss or misuse, and our handling of such data may be impacted by changes in data privacy and protection laws and regulations, which could increase operational costs or result in regulatory penalties or litigation.**

In connection with various businesses we operate, we have access to sensitive, confidential or personal data from our employees, customers (both corporate and individual consumers), suppliers and other third parties, some of which may be subject to privacy, security or residency laws, regulations and customer-imposed controls. In the ordinary course of business, we collect, retain, process, and transmit such data across national boundaries. Despite our efforts to properly handle and protect this information in compliance with such requirements, our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, theft, misplaced or lost data, and programming, procedural or human errors that could potentially lead to such information being compromised or handled improperly.

There has been increased public attention regarding the use of personal data and security of data transfers, accompanied by legislation and regulations intended to strengthen data protection, information security and consumer and personal privacy. The evolving nature of privacy laws in the U.S., the European Union ("E.U."), Australia, Brazil and other countries where we have operations and customers could impact our processing of this data, including requiring us to make costly changes to our IT systems to properly handle such data. For example, the E.U.'s General Data Protection Regulation ("GDPR") imposes strict rules on handling personal data related to the E.U. and imposes significant sanctions for violations. We have substantial operations in the E.U. and are therefore subject to these heightened standards. Similarly, the California Consumer Privacy Act ("CCPA"), grants certain rights to California residents with respect to their personal data and requires companies take or refrain from taking certain actions. As interpretation and enforcement of these and other future data privacy, security or residency laws, regulations and industry standards evolve, it may create a range of new compliance obligations, which could cause us to change our business practices, with the possibility for significant financial penalties for noncompliance that could have an adverse effect on our financial condition and results of operations.

While we cannot yet determine the full impact such laws, regulations, and requirements may have on our business, our failure to adequately comply with them could lead to substantial fines, penalties, third-party liability, remediation costs, potential cancellation of existing contracts and the inability to compete for future business. We have taken steps to address the requirements of GDPR, CCPA and other applicable data privacy regulations, however, these steps may not prevent all data security breaches or ensure full compliance with all data privacy-related regulations or customer requirements, and any significant breach of the foregoing could have a material adverse effect on our business and reputation, as well as our financial condition, results of operations and cash flows.

**Our international operations subject us to a number of international trade control, anti-money laundering and anti-corruption laws that can impose substantial compliance costs and expose us to civil and/or criminal penalties.**

Our global operations are subject to applicable anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act (“FCPA”) and the U.K. Bribery Act 2010 (“Bribery Act”), anti-money laundering laws, international trade controls, and competition laws. Anti-corruption laws generally prohibit us from providing anything of value to foreign officials for the purposes of improperly influencing official decisions or improperly obtaining or retaining business and may also apply to commercial bribery.

As part of our business, we operate in countries with a high degree of corruption and frequently interact with state-owned enterprises and government officials. This may increase the risk of improper payments being demanded of, offered by, or made by one of our employees or a party acting on our behalf. The risk of enforcement has also grown in recent years as more of the countries in which we operate have passed anti-corruption laws and prioritized enforcement of those laws which can result in significant fines and penalties.

International trade controls, including economic sanctions such as those administered by the U.S. Treasury’s Office of Foreign Assets Control (“OFAC”), export controls and anti-boycott regulations, restrict our business dealings with certain countries and individuals, are complex and continually changing. Additional restrictions may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations. From time to time, certain of our subsidiaries have limited business dealings in countries subject to comprehensive OFAC administered sanctions. While such activities currently represent an immaterial amount of our consolidated revenue and income and are undertaken pursuant to general and/or specific licenses issued by OFAC or as otherwise permitted by applicable sanctions regulations. However, these activities may expose us to a heightened risk of violating trade control regulations, which could result in significant penalties.

We have established policies and procedures designed to assist with our compliance with these laws and regulations. Such policies and procedures may not always prevent us, our employees or parties acting on our behalf from violating these laws and regulations. Violations may expose us to criminal or civil penalties, or other adverse consequences including the denial of export privileges, injunctions, asset seizures, debarment from government contracts, and/or revocations or restrictions of licenses. In addition, the costs associated with responding to a government investigation and remediating any violations can be substantial. Furthermore, violations could trigger an event of default under our Credit Facility, which if not waived, could result in the acceleration of any outstanding indebtedness, cause cross-defaults under other agreements to which we are a party, and impair our ability to obtain working capital advances or letters of credit. Accordingly, violations could adversely affect, among other things, our reputation, business, financial condition, results of operations and cash flows.

**Item 1B. Unresolved Staff Comments**

None.



## Item 2. Properties

The following table sets forth our principal properties, the majority of which are leased, as of February 19, 2021. We consider all of our properties and facilities to be suitable and adequate for our present needs and do not anticipate that we will experience difficulty in renewing or replacing those leases that expire in 2021 in any material respect.

### WORLD FUEL SERVICES CORPORATION AND SUBSIDIARIES PROPERTIES

Location	Principal Use	Lease Expiration
9800 Northwest 41st Street Miami, FL 33178, USA	Executive, administrative, operations and sales office for corporate, aviation, land and marine segments	August 2031
Office No. 2003, Swiss Tower Plot No. Y3, Jumeirah Lakes Towers Dubai, United Arab Emirates	Sales and marketing office for aviation and marine segments	March 2022
Forum 2, Building N, Level 4, Radial Santa Ana Belén (Lindoral), Pozos, Santa Ana San José, Costa Rica	Administrative, operations and sales office for aviation and marine segments	December 2024
25 Mill Street Parish, NY 13131, USA	Administrative, operations and sales office for aviation segment	April 2025
Strommen 6 9400 Norresundby, Denmark	Administrative, operations and sales office for aviation and land segments	Month-to-month
Causeway End, Brinkworth, Chippenham SN15 5DN, United Kingdom	Administrative, operations and sales office for land segment	Owned
300 Flint Ridge Road Webster, Texas 77598, USA	Administrative, operations and sales office for aviation segment	Owned
2320 Milwaukee Way, Tacoma, Washington 98421, USA	Administrative, operations and sales office for land segment	June 2026
4920 Southern Boulevard Virginia Beach, VA 23462, USA	Administrative, operations and sales office for land segment	Owned
1B North Mole Road (C.P. No. 1360) Gibraltar	Administrative, operations and sales office for marine segment	May 2021

### **Item 3. Legal Proceedings**

From time to time, we are under review by the IRS and various other domestic and foreign tax authorities with regards to income tax and indirect tax matters and are involved in various inquiries, audits, challenges and litigation in a number of countries, including, in particular, Brazil, Denmark, South Korea and the U.S. where the amounts under controversy may be material. See "Note 9. Commitments and Contingencies" and "Note 11. Income Taxes" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report for additional details regarding certain tax matters.

We are also a party to various claims, complaints and proceedings arising in the ordinary course of our business including, but not limited to, environmental claims, commercial and governmental contract claims, such as property damage, demurrage, personal injury, billing and fuel quality claims, as well as bankruptcy preference claims and administrative claims. We are not currently a party to any such claim, complaint or proceeding that we expect to have a material adverse effect on our business or financial condition. However, any adverse resolution of one or more such claims, complaints or proceedings during a particular reporting period could have a material adverse effect on our Consolidated Financial Statements or disclosures for that period.

### **Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### Item 5. Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange (“NYSE”) under the symbol INT. As of December 31, 2020, the closing price of our stock on the NYSE was \$31.16.

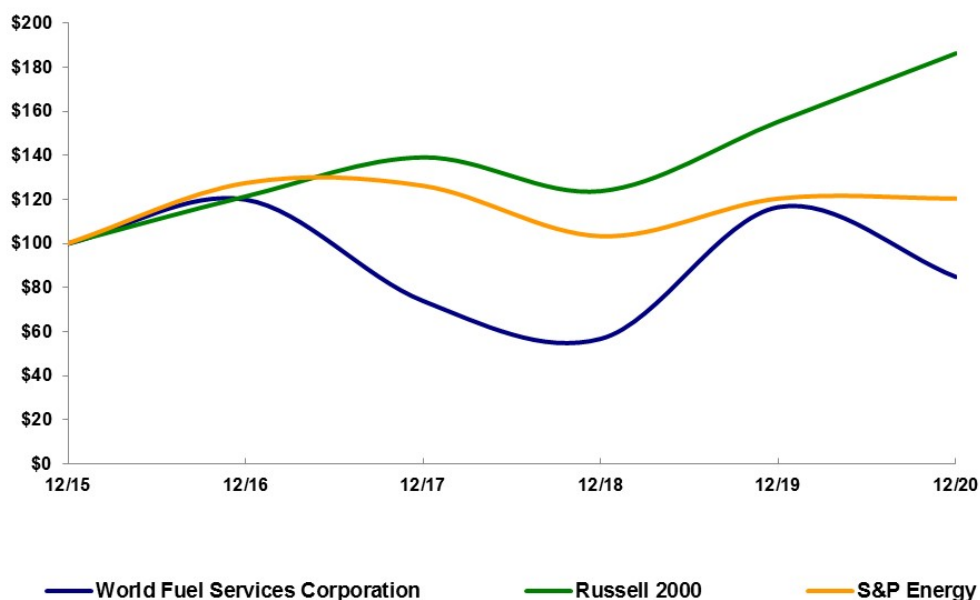
As of February 19, 2021, there were 84 shareholders of record of our common stock.

#### Stock Performance

This graph compares the total shareholder return on our common stock with the total return on the Russell 2000 Index and the S&P Energy Index for the five-year period from December 31, 2015 through December 31, 2020. The cumulative return includes reinvestment of dividends.

#### COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\*

Among World Fuel Services Corporation, the Russell 2000 Index and the S&P Energy Index



\*\$100 invested on 12/31/15 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

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**Issuer Purchases of Equity Securities**

The following table presents information with respect to repurchases of common stock made by us during the quarterly period ended December 31, 2020:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under Repurchase Programs <sup>(2)</sup>
10/1/2020 - 10/31/2020	—	\$ —	—	\$ 258,944,330
11/1/2020 - 11/30/2020	—	—	—	258,944,330
12/1/2020 - 12/31/2020	413,545	30.68	413,545	246,257,644
Total	413,545	\$ 30.68	413,545	\$ 246,257,644

- (1) These amounts include shares purchased as part of our publicly announced programs and shares owned and tendered by employees to satisfy the required withholding taxes related to share-based payment awards, which are not deducted from shares available to be purchased under publicly announced programs.
- (2) In October 2017, our Board of Directors (the "Board") approved a new common stock repurchase program (the "Repurchase Program"), which replaced the program in place at that time, authorizing \$100.0 million in common stock repurchases. In May 2019, the Board authorized an increase to the October 2017 repurchase authorization by \$100.0 million, bringing the authorized repurchases at that time to \$200.0 million. In March 2020, the Board approved a new stock repurchase program authorizing \$200.0 million in common stock repurchases to begin upon the completion of the October 2017 Repurchase Program. Our repurchase programs do not require a minimum number of shares of common stock to be purchased, have no expiration date and may be suspended or discontinued at any time. As of December 31, 2020, approximately \$246.3 million remains available for purchase under our repurchase programs. The timing and amount of shares of common stock to be repurchased under the repurchase programs will depend on market conditions, share price, securities law and other legal requirements and factors.

For information on repurchases of common stock for the first three quarters of 2020, see the corresponding Quarterly Reports on Forms 10-Q.

**Item 6. Reserved****Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion should be read in conjunction with the accompanying Consolidated Financial Statements and Notes thereto appearing within "Part IV. Item 15. Notes to the Consolidated Financial Statements" in this 2020 10-K Report. The following discussion may contain forward-looking statements, and our actual results may differ materially from the results suggested by these forward-looking statements. Some factors that may cause our results to differ materially from the results and events anticipated or implied by such forward-looking statements are described in "Item 1A – Risk Factors" and under "Forward-Looking Statements."

We have elected to omit in this 2020 10-K Report, discussion on the earliest of the three years covered by the Consolidated Financial Statements presented. Refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" located in our Form 10-K for the fiscal year ended December 31, 2019 (herein incorporated by reference), filed with the SEC on March 2, 2020, for management's discussion of the fiscal year ended December 31, 2018.

## **Business Overview**

We are a leading global fuel services company, principally engaged in the distribution of fuel and related products and services in the aviation, land and marine transportation industries. In recent years, we have expanded our land product and service offerings to include energy advisory services and supply fulfillment for natural gas and power to commercial, industrial and government customers. Our intention is to become a leading global energy management company offering a full suite of energy advisory, management and fulfillment services, technology solutions, payment management solutions, as well as sustainability products and services across the energy product spectrum. We will continue to focus on enhancing the portfolio of products and services we provide based on changes in customer demand, including sustainability offerings and renewable energy solutions.

## **COVID-19**

Beginning in the first quarter of 2020 and through the date of this filing, the aviation, marine and land transportation industries, along with global economic conditions generally, have been significantly impacted by the COVID-19 pandemic. A large number of our customers in these industries have experienced a substantial decline in business activity, especially commercial airlines and cruise lines, which have been particularly impacted by ongoing travel restrictions. Customers in our marine and land segments have also been adversely affected by these restrictions and the reduction in operations of various businesses in affected regions. These impacts have consequently increased the credit risk associated with a number of these customers, particularly in industries that are largely dependent on travel or consumer spending. In response to these developments, we took swift action to ensure the safety of our employees and other stakeholders and initiated a number of initiatives relating to cost reduction, liquidity and operating efficiencies.

While the pandemic and associated impacts on economic activity had a limited adverse effect on our results of operations and financial condition in the beginning of 2020, we experienced a sharp decline in demand and related sales during the second quarter, as large sectors of the global economy were adversely impacted by the crisis. Demand showed some moderate improvement through the second half of 2020, however, our results remained well below pre-pandemic levels as described in greater detail below. Since the level of activity in our business and that of our customers has historically been driven by the level of economic activity globally, we generally expect these negative impacts to continue through 2021. Any subsequent recovery will be dependent on, among other things, the actions taken by governments and businesses to contain and combat the virus, the speed and effectiveness of vaccine development and distribution, as well as how quickly, and to what extent, normal economic and operating conditions can resume on a sustainable basis globally.

## **Aviation Segment**

Our aviation segment has benefited from growth in our fuel and related services offerings, as well as our improving logistics capability and the impact of expanding our aviation fueling operations footprint into additional international airport locations. However, as a result of COVID-19, the overall aviation market, principally commercial passenger airlines, has been significantly impacted by global travel restrictions and a sharp decrease in demand for air travel. Accordingly, during the second and through the fourth quarter of 2020, we experienced a material volume decline in our commercial aviation business as compared to 2019 and, to a somewhat lesser extent, a significant reduction in our business and general aviation activities. Our results of operations in these lines of business for 2021 will be highly contingent on the timing and extent to which international border and travel restrictions are lifted and the global economy begins to recover from the effects of the current crisis.

Furthermore, our aviation segment has benefited from significant sales to NATO in Afghanistan, which accounts for a material portion of our aviation segment's profitability. The level of troop deployments and military-related activities can cause our government customer sales to vary significantly and materially impact our operating results. Specifically, the U.S. government has significantly reduced the level of U.S. troops in the Middle East, including the troops supporting NATO in Afghanistan. In connection therewith, in the early part of 2020, the U.S. entered into an agreement with the Taliban where it agreed to reduce the level of troops and negotiate a full withdrawal by 2021, subject to various conditions including a peace agreement being reached between the government of Afghanistan and the Taliban. The U.S. government has since moved forward with a significant reduction in the level of troops. While the exact timing and full impact of the troop withdrawal remain uncertain, we have experienced a material decline in demand since the end of the first quarter of 2020 and may continue to experience further reductions in demand into 2021.

### **Land Segment**

Our land segment primarily consists of land fuel distribution in the U.S. and the U.K., further complemented by our expansion into energy advisory, brokerage and fulfillment solutions with respect to power, natural gas and other energy products. We also offer sustainability consulting, renewable fuel products, and carbon management and renewable energy solutions through World Kinect, our global energy management brand. Due to the diverse portfolio of customers, businesses and activities within our land segment, the COVID-19 related impacts are more difficult to predict. For example, during the second quarter of 2020, our operating results in our land segment benefited from improvements in the U.K. However, this increase was largely offset by a decline in profitability in North America, primarily due to a decrease in sales to retail, commercial and industrial customers in connection with the continued negative impacts of the pandemic, particularly throughout much of the U.S. The extent of any improvements in these activities will continue to be dependent on the timing and extent to which quarantine restrictions are lifted and local business activities fully reopen. Furthermore, for the same reasons as those described in the aviation segment, we have experienced a material decline in demand in our government business since the end of the first quarter of 2020 and may continue to experience further reductions in demand into 2021.

### **Marine Segment**

Overall, throughout 2019 and into early 2020, higher average fuel prices, combined with our focus on reshaping our portfolio and cost management, improved profitability in our marine segment. In addition, the implementation of the International Maritime Organization's mandatory low sulfur regulations that took effect on January 1, 2020 ("IMO 2020") resulted in certain supply imbalances and price volatility in late 2019 and through much of the first quarter of 2020 that positively impacted our operating results in those periods. However, beginning in the latter part of the first quarter of 2020 and throughout the balance of 2020, we experienced a decline in volume and profitability primarily due to the impact of the COVID-19 pandemic coupled with the significant decline in fuel prices. We expect our marine segment's volume and profitability to continue to be impacted by the pandemic into 2021, particularly with respect to weakened demand from cruise lines and certain other sectors of the shipping industry, as well as lower fuel prices.

### **Other Actions**

With respect to our own operations, we have implemented our business continuity and emergency response plans in alignment with mandates from local authorities. To ensure the safety of our employees who are continuing to work, we have provided instructions on how to work safely in light of the pandemic and elevated our cleaning protocols for our offices, facilities and equipment. We are maximizing remote work throughout our global offices and our employees are collaborating virtually with our customers, suppliers and each other using the information-sharing tools and technology that we have invested in during the last several years.

Due to the ongoing and expected adverse impacts of the COVID-19 crisis, we immediately made cost-related decisions as the pandemic began impacting our business activities. For example, we immediately instituted a hiring freeze and implemented travel restrictions for our employees across the organization, postponed or eliminated all non-essential capital expenditures and other projects and initiatives, significantly reduced or deferred professional fees, marketing expenses and other similar costs. In addition, while we have continued to focus on improving operating efficiencies and returns, we have also concentrated on lowering our operating costs, including those of our land segment, which has historically had a higher expense ratio than other parts of our business. Accordingly, during the first quarter of 2020, we commenced a restructuring initiative focused on further streamlining our operations and sharpening our deployment of resources, not only in our land segment but also in our other segments due to the adverse impacts of the pandemic. During the second quarter of 2020, we completed a rationalization of our global office footprint and approved the abandonment of certain office leases, including the transition of select offices to smaller or more cost-effective locations. See "Note 5. Restructuring" accompanying our Consolidated Financial Statements included in "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report for additional information regarding this restructuring.

The ultimate duration and impact of the COVID-19 pandemic on our business and our customers' operations continue to be unclear. Furthermore, the extent to which we or our customers will ultimately be impacted by the pandemic is not fully ascertainable as it is closely related to the timing and extent to which the global economy, and the aviation, land and marine transportation industries, in particular, recover from the crisis. For additional discussion on the risks relating to the pandemic, see Item 1A. Risk Factors in Part I of this 10-K Report.

**Reportable Segments**

We operate in three reportable segments consisting of aviation, land and marine, where we offer fuel and related products and services to commercial and industrial customers in each of these transportation industries. Within each of our segments, we may enter into derivative contracts to mitigate the risk of market price fluctuations and also to offer our customers fuel pricing alternatives to meet their needs.

In our aviation and land segments, we primarily purchase and resell fuel and other products. Profit from our aviation and land segments is primarily determined by the volume and the gross profit achieved on fuel sales and related services. In our marine segment, we primarily purchase and resell fuel and also act as brokers for others. Profit from our marine segment is determined mostly by the volume and unit margin achieved on fuel resales. Profitability in our segments also depends on our operating expenses, which may be materially affected to the extent that we are required to provide for potential bad debt.

Corporate expenses are allocated to each segment based on usage, where possible, or other factors according to the nature of the activity. We evaluate and manage our business segments using the performance measurement of income from operations.

Selected financial information with respect to our business segments is provided in "Note 13. Business Segments, Geographic Information and Major Customers" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report.

**Results of Operations****2020 compared to 2019**

*Revenue.* Our revenue for 2020 was \$20.4 billion, a decrease of \$16.5 billion, or 45%, compared to 2019. Our revenue during these periods was attributable to the following segments (in millions):

	2020		2019		\$ Change
Aviation segment	\$ 8,179.6	\$	18,479.5	\$	(10,299.9)
Land segment	6,663.1		10,280.9		(3,617.9)
Marine segment	5,515.7		8,058.5		(2,542.8)
Total	\$ 20,358.3	\$	36,819.0	\$	(16,460.6)

Revenues in our aviation segment were \$8.2 billion for the year ended 2020, a decrease of \$10.3 billion, or 56% compared to 2019. A significant volume decline associated with the COVID-19 pandemic combined with lower average jet fuel prices drove the decrease in aviation revenue during the year ended 2020. Specifically, total volumes in our aviation segment for the year ended 2020 were 4.7 billion gallons, a decrease of 3.8 billion gallons, or 45%, compared to 2019. The decline in volumes was attributable to a significant decrease in our commercial aviation business activity due to the impact of the COVID-19 pandemic on air travel. Additionally, the average price per gallon sold during the year ended 2020 was \$1.46, compared to \$2.05 in 2019.

Revenues in our land segment were \$6.7 billion for the year ended 2020, a decrease of \$3.6 billion, or 35%, compared to 2019. The overall decrease in land revenues was primarily due to lower average fuel prices, where the average price per gallon sold was \$1.30, compared to \$1.87 in 2019. Volumes in our land segment for the year ended 2020 were 5.1 billion gallons, a decrease of 387.6 million gallons, or 7%, compared to 2019, driven principally by the effects of the COVID-19 pandemic on our retail, commercial and industrial and wholesale operations.

Revenues in our marine segment were \$5.5 billion for the year ended 2020, a decrease of \$2.5 billion, or 32%, compared to 2019. The decrease in revenues was driven by lower average prices and volume sold in 2020. The average bunker price per metric ton sold was \$315.74, compared to \$385.49 in 2019. Volumes in our marine segment for the year ended 2020 were 17.5 million metric tons, a decrease of 3.4 million metric tons or 16%, from 2019. The volume decrease was driven principally by the effects of the pandemic on demand across our core resale and physical businesses.

**Gross Profit.** Our gross profit for the year ended 2020 was \$0.9 billion, a decrease of \$260.1 million, or 23%, compared to 2019. Our gross profit was attributable to the following segments (in millions):

	2020		2019	\$ Change
Aviation segment	\$ 352.9	\$	551.6	\$ (198.6)
Land segment	347.6		378.9	(31.3)
Marine segment	151.4		181.5	(30.2)
<b>Total</b>	<b>\$ 851.8</b>	<b>\$</b>	<b>1,112.0</b>	<b>\$ (260.1)</b>

Our aviation segment gross profit for the year ended 2020 was \$352.9 million, a decrease of \$198.6 million, or 36%, compared to 2019. The decrease in aviation gross profit was primarily due to a 45% decline in volume as a consequence of the depressed demand for air travel due to the pandemic, together with a reduction in our government-related activity in Afghanistan as a result of the drawdown of troops in Afghanistan. Partially offsetting the decline in gross profit were certain situation-specific activities arising from the pandemic, such as repatriation flights and increased cargo activity, as well as physical supply gains associated with the historic volatility in jet fuel prices during the period.

Our land segment gross profit for the year ended 2020 was \$347.6 million, a decrease of \$31.3 million, or 8%, compared to 2019. The decrease in land segment gross profit was primarily attributable to the sale of our Multi Service payment solutions business, and the decline in volumes in our core domestic retail, commercial and industrial activities, as well as a decrease in our government-related activities in Afghanistan. These decreases were partially offset by improved results in the U.K. and growth in World Kinect, our global energy management brand.

Our marine segment gross profit for the year ended 2020 was \$151.4 million, a decrease of \$30.2 million, or 17%, as compared to 2019. The gross profit decrease was attributable to lower volume and profitability, particularly in our core resale business, due to a decline in demand as a consequence of the pandemic in certain sectors of the marine shipping and travel industry. The decrease in gross profit income was partially offset by higher profitability during the first two months of 2020, resulting from the shift to very low sulfur fuel oil, as mandated by the IMO 2020 regulations that took effect on January 1, 2020.

**Operating Expenses.** Total operating expenses for 2020 were \$714.0 million, a decrease of \$98.3 million, or 12%, compared to 2019. The following table sets forth our expense categories (in millions):

	2020		2019	\$ Change
Compensation and employee benefits	\$ 366.9	\$	470.4	\$ (103.4)
General and administrative	311.1		322.2	(11.1)
Asset impairments	25.6		—	25.6
Restructuring charges	10.3		19.7	(9.4)
<b>Total</b>	<b>\$ 714.0</b>	<b>\$</b>	<b>812.3</b>	<b>\$ (98.3)</b>

The decrease in total operating expenses was primarily due to lower employee compensation and benefits costs, including lower incentive bonuses. Furthermore, as part of our cost-reduction initiatives, we materially reduced certain general and administrative expenses during 2020, which were offset by a higher provision for bad debt, principally due to the effects of the pandemic on our accounts receivable. Total operating expenses were also impacted by impairment charges of \$25.6 million, principally associated with our decision to rationalize our global office footprint.



*Income (loss) from Operations.* Our income from operations for 2020 was \$137.9 million, a decrease of \$161.8 million, or 54%, compared to 2019. Income from operations during these periods was attributable to the following segments (in millions):

	2020	2019	\$ Change
Aviation segment	\$ 84.5	\$ 283.9	\$ (199.4)
Land segment	72.6	55.0	17.6
Marine segment	58.5	67.1	(8.6)
	215.6	406.1	(190.4)
Corporate overhead - unallocated	(77.8)	(106.4)	28.6
Total	\$ 137.9	\$ 299.7	\$ (161.8)

Our income from operations, including unallocated corporate overhead, for the year ended 2020 was \$137.9 million, a decrease of \$161.8 million, or 54%, compared to 2019. The overall decrease was primarily attributable to the performance in our aviation segment.

Income from operations in our aviation segment for the year ended 2020 was \$84.5 million, a decrease of \$199.4 million as compared to 2019. Our aviation segment was significantly impacted by lower volumes and the correspondingly reduced profit contribution as a consequence of the decline in air travel due to the COVID-19 pandemic, as well as a reduction in government-related activity in Afghanistan. Aviation operating income also decreased during the year ended 2020 compared to 2019 due to increased expenses resulting from a materially higher bad debt expense because of the impact of the pandemic on the aviation industry, as well as the global office footprint rationalization impairment charge. Partially offsetting these higher expenses were significant reductions in compensation and administrative expenses over the course of 2020.

In our land segment, income from operations for the year ended 2020 was \$72.6 million, an increase of \$17.6 million compared to 2019. The higher profitability was primarily attributable to a reduction in compensation costs and general and administrative expenses, improved results in the U.K., together with growth in World Kinect. This was partially offset by lower volumes as a result of the pandemic, particularly in our retail, commercial and industrial activities in North America, as well as a decrease in our government-related activities in Afghanistan and the global office footprint rationalization impairment charge.

Our marine segment income from operations for the year ended 2020 was \$58.5 million, a decrease of \$8.6 million compared to 2019, driven by lower average prices and volume of activity in our core resale business and an impairment charge resulting from our global office footprint rationalization. The decrease in operating income was partially offset by higher profitability during the first two months of 2020, resulting from the shift to very low sulfur fuel oil, as mandated by the IMO 2020 regulations that took effect on January 1, 2020. Further offsetting the decrease in operating profitability was a reduction in compensation expense during 2020 compared to 2019.

Corporate overhead costs not charged to the business segments in 2020 were \$77.8 million, a decrease of \$28.6 million, or 27%, compared to 2019, primarily attributable to a reduction in compensation costs and general and administrative expenses.

*Non-Operating Income (Expenses), net.* We had non-operating income of \$23.9 million, compared to expenses of \$62.4 million for the years ended 2020 and 2019, respectively. The positive variance of \$86.2 million compared to 2019 was driven principally by a gain on the sale of our Multi Service payment solutions business of \$80.0 million principally in the land segment, as well as a reduction in interest expense and lower fees associated with our receivables purchasing programs.

*Income Taxes.* For the year ended 2020, our effective income tax rate was 32%, and our income tax provision was \$52.1 million, compared to an effective income tax rate of 24% and an income tax provision of \$56.2 million in 2019. The higher effective income tax rate for 2020, compared to 2019, resulted primarily from the impact of recording valuation allowances against our deferred tax assets in various foreign jurisdictions and the differences in the results of our subsidiaries in tax jurisdictions with different tax rates.

*Net Income Attributable to World Fuel and Diluted Earnings per Common Share.* Our net income for the year ended 2020 was \$109.6 million compared to net income of \$178.9 million in 2019. Diluted earnings per common share for the year ended 2020 was \$1.71 per common share as compared to diluted earnings per common share of \$2.69 in 2019.

## Liquidity and Capital Resources

Our liquidity, consisting of cash, cash equivalents and availability under the Credit Facility fluctuates based on a number of factors, including the timing of receipts from our customers, payments to our suppliers, changes in fuel prices, as well as our financial performance, which drives availability under our Credit Facility. Our availability under our Credit Facility, for example, is limited by, among other things, our consolidated total leverage ratio, which is defined in the Credit Facility and is based in part on our adjusted consolidated earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") for the four immediately preceding fiscal quarters. Accordingly, significant fluctuations in our Adjusted EBITDA for a particular quarter can impact our availability to the extent it significantly alters our Adjusted EBITDA for the applicable preceding four quarters. See Item 1A. Risk Factors in Part I of this 10-K Report for additional information.

Cash and liquidity are significant priorities for us and our primary use of cash and liquidity is to fund working capital and strategic investments. Increases in fuel prices can negatively affect liquidity by increasing the amount of cash required to fund fuel purchases. In addition, while we are usually extended unsecured trade credit from our suppliers for our fuel purchases, higher fuel prices may reduce the amount of fuel which we can purchase on an unsecured basis, and in certain cases, we may be required to prepay fuel purchases, which would negatively impact our liquidity. Fuel price increases may also negatively impact our customers, in that they may not be able to purchase as much fuel from us because of their credit limits with us and the resulting adverse impact on their business could cause them to be unable to make payments owed to us for fuel purchased on credit. They may also choose to reduce the amount of fuel they consume in their operations to reduce costs. In any such event, the volume of orders from our customers may thereafter decrease and we may not be able to replace lost volumes with new or existing customers.

As described in greater detail above, the COVID-19 pandemic is expected to continue to have an adverse impact on our customers, and therefore our own operating results through the first half of 2021, which could have a negative impact on our liquidity in the future. However, based on the information currently available, we believe that our cash and cash equivalents as of December 31, 2020 and available funds from our Credit Facility, together with cash flows generated by operations, are sufficient to fund our working capital and capital expenditure requirements for at least the next twelve months. We may choose to raise additional funds to further enhance our liquidity profile, which may be used for working capital, capital expenditures or other strategic investments. Our opinions concerning liquidity are based on currently available information and if circumstances change significantly, whether as a result of the COVID-19 pandemic or otherwise, the future availability of trade credit or other sources of financing may be reduced, and our liquidity would be adversely affected. Factors that may affect the availability of trade credit or other forms of financing include our financial performance (as measured by various factors, including cash provided by operating activities), the state of worldwide credit markets, and our levels of outstanding debt. Depending on the severity and direct impact of these factors on us, financing may be limited or unavailable on terms favorable to us.

### Cash Flows

The following table reflects the major categories of cash flows for the years ended December 31, 2020, 2019 and 2018 (in millions). For additional details, please see the Consolidated Statements of Cash Flows.

	2020	2019	2018
Net cash provided by (used in) operating activities	\$ 604.1	\$ 228.8	\$ (182.5)
Net cash provided by (used in) investing activities	72.8	(50.5)	286.0
Net cash provided by (used in) financing activities	(213.0)	(204.9)	(257.1)

### **2020 compared to 2019**

*Operating Activities.* For the year ended December 31, 2020, net cash provided by operating activities was \$604.1 million compared to \$228.8 million provided during the year ended December 31, 2019. The \$375.4 million change in operating cash flows was principally due to favorable year-over-year changes in working capital, excluding cash, of \$538.6 million, offset by: i) \$90.9 million of noncash adjustments principally associated with a gain on sale of a business, ii) decrease of \$71.4 million in Net income including noncontrolling interest, iii) \$0.8 million decrease in certain other long term assets and liabilities. The changes in working capital, excluding cash, primarily reflect a \$1.9 billion net decrease in accounts receivable, inventories, and prepaid expenses, offset by a \$1.3 billion net decrease in accounts payable, customer deposits, and accrued expenses and other current liabilities.

*Investing Activities.* For the year ended December 31, 2020, net cash provided by investing activities was \$72.8 million compared to net cash used of \$50.5 million for the year ended December 31, 2019. The \$123.4 million increase in cash flows was primarily due to an increase in net cash proceeds of \$228.9 million received from the sales of businesses and a \$29.6 million decrease in capital expenditures, partially offset by \$128.6 million in cash paid to acquire our UVair fuel business.

*Financing Activities.* For the year ended December 31, 2020, net cash used in financing activities was \$213.0 million compared to net cash used of \$204.9 million for the year ended December 31, 2019. The \$8.2 million change was principally due to a \$33.5 million increase in net repayments of debt under our credit facility, increases of \$4.5 million and \$2.9 million in dividends and common stock repurchases, respectively, partially offset by a \$32.8 million decrease related to the 2019 acquisition of a noncontrolling interest in a consolidated subsidiary.

### **Other Liquidity Measures**

*Cash and Cash Equivalents.* As of December 31, 2020 and 2019, we had cash and cash equivalents of \$658.8 million and \$186.1 million, respectively. Our primary uses of cash and cash equivalents are to make strategic investments, primarily acquisitions, and to purchase inventory. We are provided unsecured trade credit by nearly all of our suppliers for our fuel purchases; however, a small number of suppliers require us to either prepay or provide a letter of credit. Increases in oil prices can negatively affect liquidity by increasing the amount of cash needed to fund fuel purchases as well as reducing the amount of fuel that we can purchase on an unsecured basis from our suppliers.

*Credit Facility and Term Loans.* Our Credit Agreement, as amended through December 31, 2020, consists of a revolving loan under which up to \$1.3 billion aggregate principal amount could be borrowed, repaid and redrawn, based upon specific financial ratios and subject to the satisfaction of other customary conditions to borrowing. Our Credit Facility includes a sublimit of \$400.0 million for the issuance of letters of credit and bankers' acceptances. Under the Credit Facility, we have the right to request increases in available borrowings up to an additional \$400.0 million, subject to the satisfaction of certain conditions and we have the right to request increases in available borrowings up to an additional \$200.0 million. In addition, as of December 31, 2020 and 2019, we had \$503.2 million and \$515.6 million in Term Loans outstanding, respectively. We had no outstanding borrowings under our Credit Facility as of December 31, 2020. At December 31, 2019 we had outstanding borrowings of \$55.0 million. Our issued letters of credit under the Credit Facility totaled \$3.4 million and \$4.3 million as of December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, the unused portion of our Credit Facility was \$1.3 billion and \$1.2 billion, respectively. The unused portion of our Credit Facility is limited by, among other things, our financial leverage ratio, which limits the total amount of indebtedness we may incur, and may, therefore, fluctuate from period to period.

Borrowings under our Credit Facility and Term Loans related to base rate loans or Eurodollar rate loans bear floating interest rates plus applicable margins. As of December 31, 2020, the applicable margins for base rate loans and Eurodollar rate loans were 0.75% and 1.75%, respectively.

Our liquidity, consisting of cash and cash equivalents and availability under the Credit Facility, fluctuates based on a number of factors, including the timing of receipts from our customers and payments to our suppliers as well as commodity prices. Availability under our Credit Facility is principally limited by the ratio of adjusted total debt to adjusted EBITDA, as defined in the agreement, which limits the total amount of indebtedness we may incur to not more than 3.75 to 1. Accordingly, our availability under the Credit Facility may fluctuate from period to period.

Our Credit Facility and Term Loans contain certain financial and other covenants with which we are required to comply. Our failure to comply with the covenants contained in our Credit Facility and our Term Loans could result in an event of default. An event of default, if not cured or waived, would permit acceleration of any outstanding indebtedness under the Credit Facility and our Term Loans, trigger cross-defaults under certain other agreements to which we are a party and impair our ability to obtain working capital advances and issue letters of credit, which would have a material adverse effect on our business, financial condition, results of operations and cash flows. As of December 31, 2020, we were in compliance with all financial covenants contained in our Credit Facility and our Term Loans.

*Other Credit Lines and Receivables Purchase Agreements.* Additionally, we have other uncommitted credit lines primarily for the issuance of letters of credit, bank guarantees and bankers' acceptances. These credit lines are renewable on an annual basis and are subject to fees at market rates. As of December 31, 2020 and 2019, our outstanding letters of credit and bank guarantees under these credit lines totaled \$328.4 million and \$375.2 million, respectively.

We also have accounts receivable financing programs under receivables purchase agreements ("RPAs") with Wells Fargo Bank, N.A. and Citibank, N.A. that allow for the sale of our accounts receivable in an amount up to 100% of our outstanding qualifying accounts receivable balances and receive cash consideration equal to the total balance, less a discount margin equal to LIBOR plus 1.00% to 3.25%, which varies based on the outstanding accounts receivable at any given time and assumes maximum utilization of the RPA facilities. During the third quarter of 2020, we amended our RPA with Citibank N.A. to, among other things, extend the renewal option term of the RPA through 2024. The RPA agreements provide the banks with the ability to add or remove customers from these programs based on, among other things, the level of risk exposure the bank is willing to accept with respect to any customer. The fees the banks charge us to purchase the receivables from these customers can also be impacted for these reasons. Under the RPAs, accounts receivable sold which remained outstanding at December 31, 2020 and 2019, were \$306.9 million and \$405.9 million, respectively. The reduction in accounts receivable sold and outstanding at December 31, 2020 was driven primarily by lower fuel prices and the decline in activity in our commercial aviation and marine businesses due to the impact of the pandemic on airlines and cruise lines.

*Short-Term Debt.* As of December 31, 2020, our short-term debt of \$22.9 million primarily represents the current maturities (within the next twelve months) of Term Loan borrowings and finance lease obligations.

#### **Contractual Obligations and Off-Balance Sheet Arrangements**

Our contractual obligations and off-balance sheet arrangements are set forth below. For additional information on any of the following and other contractual obligations and off-balance sheet arrangements, see "Note 8. Debt, Interest Income, Expense and Other Finance Costs" and "Note 9. Commitments and Contingencies" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report.

#### **Contractual Obligations**

*Debt and Interest Obligations.* These obligations include principal and interest payments on fixed-rate and variable-rate, fixed-term debt based on the expected payment dates.

*Other Obligations.* These obligations primarily consist of deferred compensation arrangements.

*Unrecognized Income Tax Liabilities.* As of December 31, 2020, our gross liabilities for unrecognized income tax benefits ("Unrecognized Tax Liabilities"), including penalties and interest, were \$99.0 million. The timing of any settlement of our Unrecognized Tax Liabilities with the respective taxing authority cannot be reasonably estimated.

As of December 31, 2020, our contractual obligations were as follows (in millions):

	Total	Year 1	Years 2-3	Years 4-5	> 5 years
Debt and interest obligations	\$ 570.7	\$ 34.6	\$ 102.0	\$ 433.8	\$ 0.2
Operating lease obligations	192.5	39.8	59.1	39.4	54.2
Finance lease obligations	20.2	4.4	7.4	4.8	3.6
Employment agreement obligations	0.9	0.9	—	—	—
Derivatives obligations	59.0	50.9	8.2	—	—
Purchase commitment obligations	88.4	58.1	30.4	—	—
Other obligations	8.5	1.3	2.9	2.1	2.2
<b>Total</b>	<b>\$ 940.2</b>	<b>\$ 189.8</b>	<b>\$ 210.0</b>	<b>\$ 480.1</b>	<b>\$ 60.3</b>

Additionally, we have certain purchase contracts, that run through 2026, under which we agreed to purchase annually between 1.83 million barrels and 2.02 million barrels of aviation fuel at future market prices.

#### **Off-Balance Sheet Arrangements**

*Letters of Credit and Bank Guarantees.* In the normal course of business, we are required to provide letters of credit to certain suppliers. A majority of these letters of credit expire within one year from their issuance, and expired letters of credit are renewed as needed. As of December 31, 2020, we had issued letters of credit and bank guarantees totaling \$331.9 million under our Credit Facility and other uncommitted credit lines. For additional information on our Credit Facility and other credit lines, see the discussion in "Liquidity and Capital Resources" above.

*Surety Bonds.* In the normal course of business, we are required to post bid, performance and other surety-related bonds. The majority of the surety bonds posted relate to our aviation and land segments. We had outstanding bonds that were executed in order to satisfy various security requirements of \$50.6 million as of December 31, 2020.

#### **Critical Accounting Policies and Estimates**

Management's discussion and analysis of our financial condition and results of operations are based upon our Consolidated Financial Statements included elsewhere in this 2020 10-K Report, which has been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to unbilled revenue and associated costs of sales, allowance for credit losses, goodwill and identifiable intangible assets, certain accrued liabilities, and income taxes. We base our estimates on historical experience and on other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We have identified the areas described below as critical to our business operations and the understanding of our results of operations given the uncertainties associated with the assumptions underlying each estimate. For a detailed discussion on the application of these and other significant accounting policies, see "Note 1. Basis of Presentation, New Accounting Standards and Significant Accounting Policies" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report.

#### **Impairment Assessments of Goodwill, Long-Lived Assets and Equity Investments**

We assess accounting estimates that require consideration of forecasted financial information, including, but not limited to, the recoverability of the carrying value of our goodwill, long-lived assets (property and equipment, identifiable intangible assets and leases) and equity investments. Significant judgment is involved in performing these estimates as they are developed based on forecasted assumptions. As of December 31, 2020, the assumptions used, particularly the expected growth rates, the profitability embedded in our projected cash flow, the discount rate and the market-based multiples, were defined in the context of current and future potential impacts of COVID-19 on our business and other business factors such as the reduction in our government-related activity in Afghanistan. Management also considered the volatility in the company's market capitalization since the beginning of the pandemic and evaluated the potential impact that this volatility may have had on the estimated fair value of our reporting units.

Based on the assessments performed, and supported by the available information as of December 31, 2020, we concluded that the fair value of our land and aviation reporting units were not less than their respective carrying values. However, at this time, we are unable to predict with specificity the ultimate impact of the pandemic, as it will depend on the magnitude, severity and duration, as well as how quickly, and to what extent, normal economic and operating conditions resume on a sustainable basis globally. Accordingly, if the impact of the pandemic, and it's associated reduction in business are more severe or longer in duration than we have assumed, such impact could potentially result in impairments.

For further information pertaining to our 2020 impairment assessments, see "Note 5. Restructuring" and "Note 7. Goodwill and Identifiable Intangible Assets" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report.

#### **Accounts Receivable and Allowance for Credit Losses**

We maintain a provision for estimated credit losses based upon our historical experience with our customers, any specific customer collection issues that we have identified from current financial information and business prospects, as well as forward-looking information from market sources. Historical payment trends of our customers together with internal and external information about the economic outlook, geopolitical risks and macroeconomic events may not fully capture the current or future creditworthiness of our customers, particularly in difficult economic periods. As a result of the challenges inherent in estimating which customers are less likely to remit amounts owed to us, our provision for estimated credit losses may not always be sufficient. Any write-off of accounts receivable in excess of our provision for credit losses could adversely affect our results of operations and cash flow. For additional information on the credit risks inherent in our business, see "Item 1A – Risk Factors" in this 2020 10-K Report.

#### **Inventories**

When estimating the net realizable value of inventory, we utilize a variety of observable fuel indices and other indicators. Sharp negative changes in these indices can result in a reduction of our inventory valuation, which could have an adverse material impact on our results of operations in the period in which we take the adjustment.

#### **Business Combinations**

Business combinations are accounted for using a fair value model. This model is required when the definition of a business is met. In contrast, asset acquisitions are accounted for using a cost accumulation and allocation model. The initial and subsequent measurement of certain assets acquired and, consequently, our results of operations are impacted differently depending on the model. In a business combination, the residual fair value generated in the acquisition is recognized as goodwill which is tested for impairment but not amortized, while in an asset acquisition, any residual fair value is allocated on a relative fair value basis to all qualifying identifiable net assets acquired and subsequently amortized. To conclude if the definition of a business is met, we need to conclude whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets which requires significant judgment to determine the fair value and if and how assets should be grouped.

#### **Revenue Recognition**

The majority of our consolidated revenues are generated through the sale of fuel and fuel-related products. We generally recognize fuel sales and services revenue on a gross basis as we have control of the products or services before they are delivered to our customers. In drawing this conclusion, we consider various factors, including inventory risk management, latitude in establishing the sales price, discretion in the supplier selection and that we are normally the primary obligor in our sales arrangements.

#### **Income Taxes**

The Tax Cuts and Jobs Act (the "Tax Act"), enacted on December 22, 2017, significantly changed the U.S. Internal Revenue Code, by, among other things, reducing the U.S. corporate income tax rate, modifying or repealing many business deductions and credits, adopting elements of a territorial tax system, taxing global intangible low-taxed income ("GILTI"), assessing a repatriation tax or "toll-charge" on undistributed earnings and profits of U.S.-owned foreign corporations, and introducing certain base erosion and anti-abuse minimum tax ("BEAT") provisions. Several final and proposed regulations were issued during 2020 regarding foreign tax credits, and GILTI, among other areas.

Because of the complexity of the GILTI tax rules effective in 2018, we previously evaluated this provision of the Tax Act and the application of ASC 740, Income Taxes. Under US GAAP, we made an accounting policy choice to treat taxes due on future US GILTI inclusions as a current period expense when incurred (the "period cost method"). The Tax Act legislation will continue to require further interpretations and implementing regulations by the IRS, as well as state tax authorities, and the legislation could be subject to potential amendments and changes, any of which could increase certain adverse impacts or other effects of the legislation. The changes included in the Tax Act are broad and complex. The final transition impacts of the Tax Act may differ from our estimates, possibly materially, due to, among other items, changes in interpretations of the Tax Act, any legislative action to address questions that arise because of the Tax Act, any changes in accounting standards for income taxes or related interpretations in response to the Tax Act, or any updates or changes to current year earnings and tax estimates.

### **Leases**

Determining whether a contract contains a lease requires judgment regarding whether the contract conveys the right to control the use of identified property or equipment for a period of time in exchange for consideration. Assessing whether we have obtained the right to substantially all of the economic benefits and the ability to direct how, and for what purpose, the asset is used requires more judgment in storage arrangements where we must determine whether our rights to capacity may represent substantially all of the available capacity at a location. We also make estimates about the lease term, as some of these arrangements may include optional renewals, terminations or purchase options, which are considered in our assessments when they are reasonably certain to occur. Determining the incremental borrowing rate at lease commencement (or modification) requires judgment as it is based on our estimated credit rating, the lease term at commencement, and the contract currency of the lease arrangement. All these estimates could lead to higher or lower lease related assets and liabilities.

### **Derivatives**

We enter into financial derivative contracts to mitigate our risk of fuel market price fluctuations in aviation, land and marine fuel as well as changes in interest and foreign currency exchange rates. Also, to offer our customers fuel pricing alternatives to meet their needs. While we currently believe that our derivative contracts will be effective in mitigating the associated price risks, it is possible that our derivative instruments will be ineffective at mitigating material changes in prices, which could have an adverse impact on our financial position and results of operations.

Measurement of the fair value of our derivatives also requires the assessment of certain risks related to non-performance, which requires a significant amount of judgment.

### **Loss Contingencies**

A number of claims, complaints or proceedings may arise in the ordinary course of business and may be outstanding against the company. Our estimates regarding potential losses are based on our judgment and assessment of currently available information. Any adverse resolution could have a material adverse effect on our Consolidated Financial Statements or disclosures. Although we continue to reassess our reserves and estimates based on new developments, our objective assessment of the legal merits of such claims may not always be predictive of the outcome and actual results may vary from our current estimates. For additional information on contingencies, see "Item 1A – Risk Factors" and "Note 9. Commitments and Contingencies " in this 2020 10-K Report.

### **Recent Accounting Pronouncements**

Information regarding accounting standards adopted during 2020 is included in "Note 1. Basis of Presentation, New Accounting Standards and Significant Accounting Policies" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

### Derivative and Financial Instruments Market Risk

We use commodity-based derivative contracts and financial instruments, when we deem it appropriate, to manage the risks associated with changes in the prices of fuel and fuel-related products, fluctuations in foreign currency exchange rates and interest rates, or to capture market opportunities. We utilize hedge accounting and formally designate certain of our derivative instruments as either cash flow or fair value hedges. Derivative instruments that are not designated are considered non-designated hedges and are designed to achieve an economic offset of the underlying price risk exposure. Financial instruments and positions affecting our financial statements are described below and are held primarily for hedging purposes. As a result, any changes in income associated with our derivatives contracts are substantially offset by corresponding changes in the value of the underlying risk being mitigated.

### Commodity Price Risk

Our commercial business segments use derivative instruments, primarily futures, forward, swap, and options contracts, in various markets to manage price risk inherent in the purchase and sale of fuel. Certain of these derivative instruments are utilized to mitigate the risk of price volatility in forecasted transactions in a cash flow hedge relationship and to mitigate the risk of changes in the price of our inventory in a fair value hedge relationship. In addition, we use derivatives as economic hedges or to optimize the value of our fuel inventory to capitalize on anticipated market opportunities.

As of December 31, 2020 and 2019, the notional and fair market values of our commodity-based derivative instruments position were as follows (in millions, except weighted average contract price):

Commodity Contracts (In millions of BBL)			As of December 31, 2020			As of December 31, 2019		
Hedge Strategy	Derivative Instrument	Settlement Period	Notional Net Long/ (Short)	Weighted Average Contract Price	Fair Value Amount	Notional Net Long/ (Short)	Weighted Average Contract Price	Fair Value Amount
Designated hedge	Commodity contracts hedging inventory	2020	— \$	— \$	—	(4.1) \$	79.910 \$	(18.3)
		2021	(3.3)	53.291	2.9	—	76.148	—
		2022	(0.1)	54.256	(0.4)	—	—	—
					2.5			(18.3)
Non-designated hedge	Commodity contracts	2020	—	—	—	13.5	2.190	16.1
		2021	13.9	1.052	24.3	0.8	4.343	3.6
		2022	1.0	1.067	7.8	(0.4)	8.711	1.4
		2023	—	9.333	4.3	(0.1)	5.705	0.3
		2024	0.1	10.118	4.4	—	—	—
		Thereafter	—	10.745	1.7	(0.2)	6.629	0.9
				42.5			22.3	
Total commodity derivative contracts					\$ 45.0		\$ 4.0	

### Foreign Currency Exchange Risk

We hedge our exposure to currency exchange rate changes, such as foreign-currency-denominated trade receivables, payables, or local currency tax payments. The foreign currency exchange rate risk results primarily from our international operations and is economically hedged using forward and swap contracts. The changes in the fair value of these foreign currency exchange derivatives are recorded in earnings. Since the gains or losses on the forward and swap contracts are substantially offset by the gains or losses from remeasuring the hedged foreign-currency-denominated exposure, we do not believe that a hypothetical 10% change in exchange rates at December 31, 2020 would have a material impact on our income from operations.



The foreign currency denominated notional amounts and fair values in U.S. dollars of our exposures from our foreign currency exchange derivatives at December 31, 2020, were primarily related to the following (in millions, except weighted average contract price):

As of December 31, 2020					
Settlement Period	Unit	Notional Net Long/(Short)	Weighted Average Contract Price	Fair Value Amount	
2021	AUD	(1.6)	0.721	\$	(0.1)
2021	CHF	(1.7)	0.911		(0.1)
2021	CLP	(8,679.8)	788.066		(1.3)
2021	COP	(31,601.2)	3,864.214		(1.0)
2021	EUR	(120.5)	1.203		(6.0)
2021	GBP	29.6	1.275		1.5
2021	KRW	(21,066.6)	1,149.519		(1.1)
2021	MXN	77.4	20.946		(0.2)
2021	NOK	(314.6)	8.739		(2.6)
2021	PHP	(165.5)	51.122		(0.2)
2021	ZAR	(125.3)	16.466		(1.1)
Total foreign currency exchange derivative contracts				\$	(12.3)

The total fair value of these contracts as of December 31, 2020, was a liability of \$12.3 million and will be settled in 2021. At December 31, 2019, the fair value of our foreign currency exchange derivatives was a liability of \$9.5 million, the majority of which were settled in 2020. Refer to "Note 4. Derivative Instruments" within "Part IV. Item 15. Notes to the Consolidated Financial Statements" included in this 2020 10-K Report for additional details.

### Interest Rate Risk

Borrowings under our Credit Facility and Term Loans related to base rate loans or Eurodollar rate loans bear floating interest rates plus applicable margins. As of December 31, 2020, the applicable margins for base rate loans and Eurodollar rate loans were 0.75% and 1.75%, respectively. As of December 31, 2020, we had no outstanding borrowings under our Credit Facility and \$503.2 million in Term Loans. As of December 31, 2020, the aggregate outstanding balance of our finance lease obligations was \$18.2 million which bear interest at annual rates ranging from 1.0% to 5.9%. Our other remaining outstanding debt of \$3.3 million, as of December 31, 2020, primarily relates to loans payable in varying amounts throughout 2028 and bear interest at annual rates ranging from zero to 3.5%. The weighted average interest rate on our short-term debt was 3.4% as of December 31, 2020. A 1% fluctuation in the interest rate on our outstanding debt would result in a \$5.0 million change in interest expense during the next twelve months.

In March 2020, we entered into a \$300 million, one-month LIBOR, floating-for-fixed interest rate non-amortizing swap with a maturity date in March 2025 (the "Swap"). The Swap agreement effectively locks in the variable interest cash flows we will pay for a portion of our Eurodollar rate loans at 0.55%. The fair value of the interest rate swap contract as of December 31, 2020 was a liability of \$3.7 million.

The following table presents the contractual weighted average interest rates and expected cash flows by maturity dates as of December 31, 2020 (in millions, except weighted average interest rates):

Interest Rate Swap	Expected Maturity Date					Fair Value
	2021	2022	2023	2024	2025	
Notional Value: \$300						\$ 3.7
Variable to Fixed <sup>1</sup>	\$ (1.3)	\$ (1.2)	\$ (0.9)	\$ (0.3)	\$ 0.1	
Average pay rate	0.55 %	0.55 %	0.55 %	0.55 %	0.55 %	
Average receive rate	0.13 %	0.16 %	0.24 %	0.44 %	0.64 %	

<sup>1</sup> Represents discounted net cash flow receipts or (payments).

## **Item 8. Financial Statements and Supplementary Data**

The financial statements, together with the report thereon of PricewaterhouseCoopers LLP dated February 26, 2021, and the Selected Quarterly Financial Data (Unaudited), are set forth in Item 15 of this 2020 10-K Report.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### **Management's Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this 10-K Report, we evaluated, under the supervision and with the participation of our CEO and CFO, the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon this evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of December 31, 2020.

### **Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and our directors; and (iii) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2020 using the framework specified in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on such assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of our internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing herein.

### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended December 31, 2020.

**Effectiveness of Internal Control**

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only the reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

**Item 9B. Other Information**

None.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

We have adopted a Code of Conduct that applies to all of our employees, officers (including our principal executive, financial and accounting officers) and directors. The Code of Conduct is located on our website at <http://www.wfscorp.com> under “Investor Relations – Corporate Governance – Code of Conduct.” We intend to disclose any amendments to our Code of Conduct or waivers with respect to our Code of Conduct granted to our principal executive, financial and accounting officers on our website.

The remaining information regarding our directors, executive officers and corporate governance is incorporated herein by reference from our Definitive Proxy Statement for the 2021 Annual Meeting of Shareholders (“2021 Proxy”) to be filed pursuant to Regulation 14A within 120 days after the close of the fiscal year ended December 31, 2020.

### **Item 11. Executive Compensation**

Information on executive compensation is incorporated herein by reference from our 2021 Proxy to be filed pursuant to Regulation 14A within 120 days after the close of the fiscal year ended December 31, 2020.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters**

Information on security ownership of certain beneficial owners and management and related shareholder matters is incorporated herein by reference from our 2021 Proxy to be filed pursuant to Regulation 14A within 120 days after the close of the fiscal year ended December 31, 2020.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

Information on certain relationships and related transactions and director independence is incorporated herein by reference from our 2021 Proxy to be filed pursuant to Regulation 14A within 120 days after the close of the fiscal year ended December 31, 2020.

### **Item 14. Principal Accounting Fees and Services**

Information on principal accounting fees and services is incorporated herein by reference from our 2021 Proxy to be filed pursuant to Regulation 14A within 120 days after the close of the fiscal year ended December 31, 2020.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules

- (a)(1) The following Consolidated Financial Statements are filed as a part of this 2020 10-K Report:
- |       |  |    |
|-------|--|----|
| (i)   | <a href="#">Report of Independent Registered Public Accounting Firm</a>    | 45 |
| (ii)  | <a href="#">Consolidated Balance Sheets</a>                                | 48 |
| (iii) | <a href="#">Consolidated Statements of Income and Comprehensive Income</a> | 49 |
| (iv)  | <a href="#">Consolidated Statements of Shareholders' Equity</a>            | 50 |
| (v)   | <a href="#">Consolidated Statements of Cash Flows</a>                      | 51 |
| (vi)  | <a href="#">Notes to the Consolidated Financial Statements</a>             | 53 |
- (a)(2) Consolidated Financial Statement schedules have been omitted either because the required information is set forth in the Consolidated Financial Statements or Notes thereto, or the information called for is not required.
- (b) The exhibits set forth in the following index of exhibits are filed or incorporated by reference as a part of this 2020 10-K Report:

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">3.1</a>	Restated Articles of Incorporation (incorporated by reference herein from Exhibit 99.2 to our Current Report on Form 8-K filed on February 3, 2005).
<a href="#">3.2</a>	Articles of Amendment to Restated Articles of Incorporation (incorporated by reference herein from Exhibit 3.1 to our Current Report on Form 8-K filed on November 23, 2009).
<a href="#">3.3</a>	By-Laws, amended and restated as of August 26, 2011 (incorporated by reference herein from Exhibit 3.1 to our Current Report on Form 8-K filed on August 29, 2011).
<a href="#">4.1</a>	Description of Capital Stock (incorporated by reference herein from Exhibit 4.1 to our 2019 10-K).
<a href="#">10.1</a>	Agreement between World Fuel Services Corporation and Michael J. Kasbar, dated March 14, 2008 (incorporated by reference herein from Exhibit 10.2 to our Current Report on Form 8-K filed on March 20, 2008). *
<a href="#">10.2</a>	Amendment No. 1, dated August 26, 2011, to Agreement between World Fuel Services Corporation and Michael J. Kasbar (incorporated by reference herein from Exhibit 10.1 to our Current Report on Form 8-K filed on August 29, 2011). *
<a href="#">10.3</a>	Amendment No. 2, dated April 9, 2012, to Agreement between World Fuel Services Corporation and Michael J. Kasbar (incorporated by reference herein from Exhibit 10.1 to our Current Report on Form 8-K filed on April 13, 2012). *
<a href="#">10.4</a>	Amendment No. 3, dated April 11, 2014, to Agreement between World Fuel Services Corporation and Michael J. Kasbar (incorporated by reference herein from Exhibit 10.2 to our Current Report on Form 8-K filed on April 11, 2014). *
<a href="#">10.5</a>	Executive Severance Agreement between World Fuel Services Corporation and Ira M. Birns, dated April 16, 2007 (incorporated by reference herein from Exhibit 10.2 to our Current Report on Form 8-K filed on April 16, 2007). *
<a href="#">10.6</a>	World Fuel Services Corporation Executive Severance Policy, effective as of December 31, 2016 (incorporated by reference herein from Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed on July 28, 2017 ("2017 10-Q")). *
<a href="#">10.7</a>	2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.1 to our Current Report on Form 8-K filed on June 2, 2016). *
<a href="#">10.8</a>	2020 Omnibus Plan (incorporated by reference herein from Exhibit 10.1 to our Current Report on Form 8-K filed on May 27, 2020). *
<a href="#">10.9</a>	Form of Non-Employee Director 2017 Restricted Stock Unit Grant Agreement under the 2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.24 to our Annual Report on Form 10-K for the year ended December 31, 2015 filed on February 16, 2016). *
<a href="#">10.10</a>	Form of Non-Employee Director Restricted Stock Unit Grant Agreement under the 2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.10 to our 2019 10-K). *
<a href="#">10.11</a>	Form of Named Executive Officer Restricted Stock Unit Grant Agreement under the 2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.10 to our Annual Report on Form 10-K for the year ended December 31, 2017 filed on February 28, 2018 ("2017 10-K"). *
<a href="#">10.12</a>	Form of Named Executive Officer Long-Term Incentive Restricted Stock Unit Grant Agreement under the 2006 Omnibus Plan (incorporated by reference herein from Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed on July 30, 2015). *
<a href="#">10.13</a>	Form of Named Executive Officer 2017 Performance-Based Restricted Stock Unit Grant Agreement under the 2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.12 to our 2017 10-K). *
<a href="#">10.14</a>	Form of Michael J. Kasbar Restricted Stock Unit Grant Agreement under the 2006 and 2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.14 to our 2017 10-K). *
<a href="#">10.15</a>	Form of Michael J. Kasbar Stock-Settled Stock Appreciation Right Agreement under the 2006 Omnibus Plan (incorporated by reference herein from Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 filed on July 30, 2014 ("2014 10-Q"). *
<a href="#">10.16</a>	Form of Michael J. Kasbar Stock-Settled Stock Appreciation Right Agreement (3-year Cliff Vesting) under the 2006 and 2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.15 to our Annual Report on Form 10-K for the year ended December 31, 2016 filed on February 21, 2017 ("2016 10-K"). *
<a href="#">10.17</a>	Form of Ira M. Birns Restricted Stock Unit Grant Agreement under the 2016 Omnibus Plan (incorporated by reference herein from Exhibit 10.17 to our 2017 10-K). *
<a href="#">10.18</a>	Form of Ira M. Birns Stock-Settled Stock Appreciation Right Agreement under the 2006 Omnibus Plan (incorporated by reference herein from Exhibit 10.2 to our 2014 10-Q). *

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">10.19</a>	Form of Michael J. Crosby and John P. Rau 2016 Performance-Based Restricted Stock Unit Grant Agreement under the 2006 Omnibus Plan (incorporated by reference herein from Exhibit 10.21 to our 2017 10-K). *
<a href="#">10.20</a>	Form of Michael J. Crosby and John P. Rau Restricted Stock Grant Agreement under the 2006 Omnibus Plan (incorporated by reference herein from Exhibit 10.4 to our 2017 10-Q). *
<a href="#">10.21</a>	Form of John P. Rau Restricted Stock Grant Agreement under the 2006 Omnibus Plan (incorporated by reference herein from Exhibit 10.5 to our 2017 10-Q). *
<a href="#">10.22</a>	Form of Michael J. Crosby and John P. Rau Restricted Stock Unit Grant Agreement under the 2006 Omnibus Plan (incorporated by reference herein from Exhibit 10.24 to our 2017 10-K). *
<a href="#">10.23</a>	Performance-Based Restricted Stock Unit Grant Agreement, dated as of November 10, 2017, between World Fuel Services Corporation and Jeffrey P. Smith (incorporated by reference herein from Exhibit 10.25 to our 2017 10-K). *
<a href="#">10.24</a>	Form of Named Executive Officer Stock-Settled Stock Appreciation Right Agreement under the 2016 Omnibus Plan.*
<a href="#">10.25</a>	Fourth Amended and Restated Credit Agreement, dated as of October 10, 2013, among World Fuel Services Corporation, World Fuel Services Europe, Ltd. and World Fuel Services (Singapore) Pte Ltd, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (incorporated herein by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on October 11, 2013).*
<a href="#">10.26</a>	Amendment No. 1 to the Fourth Amended and Restated Credit Agreement, and Joinder Agreement, dated as of January 30, 2015, among World Fuel Services Corporation, World Fuel Services Europe, Ltd. and World Fuel Services (Singapore) Pte Ltd, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (incorporated by reference herein from Exhibit 10.1 to our Current Report on Form 8-K filed on February 5, 2015).
<a href="#">10.27</a>	Amendment No. 2 to the Fourth Amended and Restated Credit Agreement, and Joinder Agreement, dated as of October 26, 2016, among World Fuel Services Corporation, World Fuel Services Europe, Ltd. and World Fuel Services (Singapore) Pte Ltd, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (incorporated by reference herein from Exhibit 10.1 to our Current Report on Form 8-K filed on October 27, 2016).
<a href="#">10.28</a>	Amendment No. 3 to the Fourth Amended and Restated Credit Agreement, dated as of May 12, 2017, among World Fuel Services Corporation, World Fuel Services Europe, Ltd. and World Fuel Services (Singapore) Pte Ltd, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (incorporated by reference herein from Exhibit 10.2 to our 2017 10-Q).
<a href="#">10.29</a>	Amendment No. 4 to the Fourth Amended and Restated Credit Agreement, dated as January 30, 2018, among World Fuel Services Corporation, World Fuel Services Europe, Ltd. and World Fuel Services (Singapore) Pte Ltd, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (incorporated by reference herein from Exhibit 10.30 to our 2017 10-K).
<a href="#">10.30</a>	Amendment No. 5 to the Fourth Amended and Restated Credit Agreement, dated as of October 26, 2016, among World Fuel Services Corporation, World Fuel Services Europe, Ltd., World Fuel Services (Singapore) Pte Ltd, and certain other Subsidiaries, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (incorporated by reference herein from Exhibit 10.1 to our Current Report on Form 8-K filed on July 24, 2019).
<a href="#">21.1</a>	Subsidiaries of the Registrant.
<a href="#">23.1</a>	Consent of Independent Registered Public Accounting Firm.
<a href="#">31.1</a>	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).
<a href="#">31.2</a>	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).
<a href="#">32.1</a>	Statement of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101	The following materials from World Fuel Services Corporation's Annual Report on Form 10-K for the year ended December 31, 2020, formatted in XBRL (Extensible Business Reporting Language); (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income and Comprehensive Income, (iii) Consolidated Statements of Shareholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements.
104	Cover page interactive file (formatted in Inline XBRL and contained in Exhibit 101).

\*Management contracts and compensatory plans or arrangements required to be filed as exhibits to this form, pursuant to Item 15(b).

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of World Fuel Services Corporation

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of World Fuel Services Corporation and its subsidiaries (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of income and comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Change in Accounting Principle***

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.



### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### ***Goodwill Impairment Assessment - Aviation and Land Reporting Units***

As described in Notes 1 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was \$858.6 million as of December 31, 2020, which is allocated among the Aviation and Land reporting units. Management conducts an impairment assessment as of December 31 of each year, or more frequently if events or circumstances indicate that the carrying value of the goodwill may be impaired. To determine whether goodwill is impaired, management compares the fair value of the reporting units to which goodwill was assigned to their respective carrying values to measure if any amount of goodwill should be impaired. In calculating fair value, management uses a combination of both an income and market approach. As disclosed by management, under the income approach, management calculates the fair value of a reporting unit based on the present value of estimated future cash flows, which include assumptions related to expected growth rates, profitability, and a discount rate that corresponds to a weighted-average cost of capital. Under the market approach, management uses a selection of global companies that correspond to each reporting unit to derive a market-based multiple.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the Aviation and Land reporting units is a critical audit matter are the significant judgment by management when developing the fair value of the reporting units, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to expected growth rates, profitability, and the discount rates. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the determination of the reporting units and significant assumptions used in the estimated future cash flows. These procedures also included, among others, testing management's process for developing the fair value of the Aviation and Land reporting units, which included evaluating the appropriateness of the income and market approaches; testing the completeness and accuracy of underlying data used in the income and market approaches; and evaluating the reasonableness of significant assumptions related to expected growth rates, profitability, and the discount rates. Evaluating management's assumptions related to expected growth rates and profitability involved evaluating whether the assumptions used were reasonable considering (i) the current and past performance of the reporting units; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the income and market approaches and evaluating the reasonableness of the discount rate assumptions.

/s/PricewaterhouseCoopers LLP  
Miami, Florida  
February 26, 2021

We have served as the Company's auditor since 2002.

**WORLD FUEL SERVICES CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

(In millions, except per share data)

	As of December 31,	
	2020	2019
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 658.8	\$ 186.1
Accounts receivable, net of allowance for credit losses of \$53.8 million and \$35.5 million as of December 31, 2020 and 2019, respectively	1,238.4	2,891.9
Inventories	344.3	593.3
Prepaid expenses	51.1	80.6
Short-term derivative assets, net	66.4	59.5
Other current assets	280.4	358.8
<b>Total current assets</b>	<b>2,639.3</b>	<b>4,170.1</b>
Property and equipment, net	342.6	360.9
Goodwill	858.6	843.7
Identifiable intangible and other non-current assets	659.8	617.7
<b>Total assets</b>	<b>\$ 4,500.3</b>	<b>\$ 5,992.4</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Current maturities of long-term debt	\$ 22.9	\$ 54.1
Accounts payable	1,214.7	2,602.7
Customer deposits	155.8	126.7
Accrued expenses and other current liabilities	290.6	378.9
<b>Total current liabilities</b>	<b>1,684.0</b>	<b>3,162.4</b>
Long-term debt	501.8	574.7
Non-current income tax liabilities, net	215.5	210.1
Other long-term liabilities	186.1	151.3
<b>Total liabilities</b>	<b>2,587.4</b>	<b>4,098.5</b>
<b>Commitments and contingencies</b>		
<b>Equity:</b>		
<b>World Fuel shareholders' equity:</b>		
Preferred stock, \$1.00 par value; 0.1 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 100.0 shares authorized, 62.9 and 65.2 issued and outstanding as of December 31, 2020 and 2019, respectively	0.6	0.7
Capital in excess of par value	204.6	274.7
Retained earnings	1,836.7	1,761.3
Accumulated other comprehensive loss	(132.6)	(146.3)
<b>Total World Fuel shareholders' equity</b>	<b>1,909.3</b>	<b>1,890.4</b>
Noncontrolling interest	3.6	3.5
<b>Total equity</b>	<b>1,912.9</b>	<b>1,893.9</b>
<b>Total liabilities and equity</b>	<b>\$ 4,500.3</b>	<b>\$ 5,992.4</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

**WORLD FUEL SERVICES CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME AND**  
**COMPREHENSIVE INCOME**

(In millions, except earnings per share data)

	For the Year Ended December 31,		
	2020	2019	2018
Revenue	\$ 20,358.3	\$ 36,819.0	\$ 39,750.3
Cost of revenue	19,506.5	35,707.0	38,731.8
Gross profit	851.8	1,112.0	1,018.5
Operating expenses:			
Compensation and employee benefits	366.9	470.4	442.1
General and administrative	311.1	322.2	299.6
Asset impairments	25.6	—	—
Restructuring charges	10.3	19.7	17.1
	714.0	812.3	758.8
Income from operations	137.9	299.7	259.7
Non-operating income (expenses), net:			
Interest expense and other financing costs, net	(44.9)	(73.9)	(71.0)
Other income (expense), net	68.8	11.5	(3.8)
	23.9	(62.4)	(74.8)
Income (loss) before income taxes	161.7	237.3	184.9
Provision for income taxes	52.1	56.2	55.9
Net income (loss) including noncontrolling interest	109.6	181.1	129.0
Net income (loss) attributable to noncontrolling interest	0.1	2.2	1.3
Net income (loss) attributable to World Fuel	\$ 109.6	\$ 178.9	\$ 127.7
Basic earnings per common share	\$ 1.72	\$ 2.71	\$ 1.89
Basic weighted average common shares	63.7	66.1	67.4
Diluted earnings per common share	\$ 1.71	\$ 2.69	\$ 1.89
Diluted weighted average common shares	64.0	66.5	67.7
Comprehensive income:			
Net income (loss) including noncontrolling interest	\$ 109.6	\$ 181.1	\$ 129.0
Other comprehensive income (loss):			
Foreign currency translation adjustments	13.8	8.2	(27.3)
Cash flow hedges, net of income tax benefit of \$0.0, benefit of \$8.7, and expense of \$7.0 for 2020, 2019, and 2018, respectively	(0.1)	(25.5)	21.0
Other comprehensive income (loss)	13.7	(17.3)	(6.3)
Comprehensive income (loss) including noncontrolling interest	123.3	163.7	122.6
Comprehensive income (loss) attributable to noncontrolling interest	—	(2.7)	(1.2)
Comprehensive income (loss) attributable to World Fuel	\$ 123.3	\$ 166.5	\$ 123.8

The accompanying Notes are an integral part of these Consolidated Financial Statements.

**WORLD FUEL SERVICES CORPORATION**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

(In millions)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total World Fuel Shareholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Amount						
Balance as of December 31, 2017	67.7	\$ 0.7	\$ 354.9	\$ 1,492.8	\$ (126.5)	\$ 1,721.9	\$ 16.0	\$ 1,738.0
Net income	—	—	—	127.7	—	127.7	1.3	129.0
Cash dividends declared	—	—	—	(16.1)	—	(16.1)	—	(16.1)
Amortization of share-based payment awards	—	—	7.7	—	—	7.7	—	7.7
Issuance (cancellation) of common stock related to share-based payment awards	0.2	—	—	—	—	—	—	—
Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards	—	—	(2.1)	—	—	(2.1)	—	(2.1)
Purchases of common stock	(0.7)	—	(20.0)	—	—	(20.0)	—	(20.0)
Other comprehensive income (loss)	—	—	—	—	(5.2)	(5.2)	(1.2)	(6.3)
Reclassification of certain tax effects from US Tax Reform	—	—	(0.2)	1.6	—	1.4	—	1.4
Balance as of December 31, 2018	67.0	0.7	340.4	1,606.1	(131.7)	1,815.4	16.1	1,831.6
Net income	—	—	—	178.9	—	178.9	2.2	181.1
Cash dividends declared	—	—	—	(23.6)	—	(23.6)	—	(23.6)
Amortization of share-based payment awards	—	—	22.4	—	—	22.4	—	22.4
Issuance (cancellation) of common stock related to share-based payment awards	0.3	—	0.7	—	—	0.7	—	0.7
Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards	—	—	(2.8)	—	—	(2.8)	—	(2.8)
Purchases of common stock	(2.1)	—	(65.4)	—	—	(65.4)	—	(65.4)
Acquisition of remaining 49% equity interest	—	—	(20.6)	—	—	(20.6)	(12.1)	(32.7)
Other comprehensive income (loss)	—	—	—	—	(14.6)	(14.6)	(2.7)	(17.3)
Balance as of December 31, 2019	65.2	0.7	274.7	1,761.3	(146.3)	1,890.4	3.5	1,893.9
Net income (loss)	—	—	—	109.6	—	109.6	0.1	109.6
Cumulative effect of change in accounting principle	—	—	—	(11.1)	—	(11.1)	—	(11.1)
Cash dividends declared	—	—	—	(25.5)	—	(25.5)	—	(25.5)
Amortization of share-based payment awards	—	—	(1.1)	—	—	(1.1)	—	(1.1)
Issuance (cancellation) of common stock related to share-based payment awards	0.3	—	1.2	—	—	1.2	—	1.2
Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards	—	—	(3.1)	—	—	(3.1)	—	(3.1)
Purchases of common stock	(2.6)	—	(68.3)	—	—	(68.3)	—	(68.3)
Other comprehensive income (loss)	—	—	—	—	13.7	13.7	—	13.7
Other	—	—	1.2	2.4	—	3.7	—	3.7
Balance as of December 31, 2020	62.9	\$ 0.6	\$ 204.6	\$ 1,836.7	\$ (132.6)	\$ 1,909.3	\$ 3.6	\$ 1,912.9

The accompanying Notes are an integral part of these Consolidated Financial Statements.

**WORLD FUEL SERVICES CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)

	For the Year Ended December 31,		
	2020	2019	2018
<b>Cash flows from operating activities:</b>			
Net income (loss) including noncontrolling interest	\$ 109.6	\$ 181.1	\$ 129.0
<b>Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:</b>			
Depreciation and amortization	85.8	87.4	81.5
Provision for bad debt	63.7	25.9	25.1
Share-based payment award compensation costs	(0.9)	23.6	8.3
Deferred income tax expense (benefit)	(14.4)	3.3	(3.2)
Restructuring charges	0.3	12.6	—
Foreign currency (gains) losses, net	0.6	10.8	8.7
Gain on sale of business	(80.0)	(13.9)	—
Other	1.9	(1.8)	(3.3)
<b>Changes in assets and liabilities, net of acquisitions and divestitures:</b>			
Accounts receivable, net (reduced by beneficial interests received in exchange for accounts receivables sold of \$369.8 for the year ended December 31, 2018)	1,300.3	(164.1)	(445.2)
Inventories	251.0	(61.3)	(11.8)
Prepaid expenses	28.1	(17.8)	(5.3)
Short-term derivative assets, net	(6.9)	132.0	(151.3)
Other current assets	63.2	(52.8)	(53.1)
Cash collateral with counterparties	44.2	(42.7)	29.2
Other non-current assets	(8.7)	33.6	(61.5)
Accounts payable	(1,223.9)	143.7	171.3
Customer deposits	23.6	8.1	11.8
Accrued expenses and other current liabilities	(87.6)	(91.9)	72.5
Non-current income tax, net and other long-term liabilities	54.3	12.8	14.8
Total adjustments	494.5	47.7	(311.5)
<b>Net cash provided by (used in) operating activities</b>	<b>604.1</b>	<b>228.8</b>	<b>(182.5)</b>
<b>Cash flows from investing activities:</b>			
Cash receipts of retained beneficial interests in receivable sales	—	—	369.8
Acquisition of business, net of cash acquired	(128.6)	—	(21.3)
Proceeds from sale of business, net of divested cash	259.6	30.8	—
Capital expenditures	(51.3)	(80.9)	(72.3)
Other investing activities, net	(6.9)	(0.4)	9.8
<b>Net cash provided by (used in) investing activities</b>	<b>72.8</b>	<b>(50.5)</b>	<b>286.0</b>
<b>Cash flows from financing activities:</b>			
Borrowings of debt	2,095.4	5,001.7	6,188.4
Repayments of debt	(2,207.4)	(5,080.2)	(6,407.3)
Dividends paid on common stock	(25.6)	(21.1)	(16.2)
Repurchases of common stock	(68.3)	(65.4)	(20.0)
Other financing activities, net*	(7.1)	(39.9)	(2.1)
<b>Net cash provided by (used in) financing activities</b>	<b>(213.0)</b>	<b>(204.9)</b>	<b>(257.1)</b>
Effect of exchange rate changes on cash and cash equivalents	8.8	1.0	(7.0)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>472.7</b>	<b>(25.6)</b>	<b>(160.6)</b>
Cash and cash equivalents, as of the beginning of the period	186.1	211.7	372.3
<b>Cash and cash equivalents, as of the end of the period</b>	<b>\$ 658.8</b>	<b>\$ 186.1</b>	<b>\$ 211.7</b>

\* 2019 includes \$32.7 million cash paid for the acquisition of 30% non-controlling interest of a consolidated subsidiary, Avinode Group AB.

**WORLD FUEL SERVICES CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS – (CONTINUED)**

(In millions)

	For the Year Ended December 31,		
	2020	2019	2018
<b>Supplemental Disclosures of Cash Flow Information</b>			
Cash paid during the year for:			
Interest, net of capitalized interest	\$ 45.1	\$ 77.0	\$ 73.8
Income taxes	\$ 68.5	\$ 82.9	\$ 85.3

**Supplemental Schedule of Noncash Investing and Financing Activities**

Cash dividends declared, but not yet paid, were \$6.3 million, \$6.5 million and \$4.0 million as of December 31, 2020, 2019 and 2018 respectively.

Net noncash consideration for the acquisition and sale of businesses was \$11.5 million as of December 31, 2020.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

## WORLD FUEL SERVICES CORPORATION NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of Presentation, New Accounting Standards and Significant Accounting Policies

World Fuel Services Corporation (the "Company") was incorporated in Florida in July 1984 and along with its consolidated subsidiaries is referred to collectively in this Annual Report on Form 10-K ("2020 10-K Report") as "World Fuel," "we," "our" and "us."

We are a leading global fuel services company, principally engaged in the distribution of fuel and related products and services in the aviation, land and marine transportation industries. In recent years, we have expanded our land product and service offerings to include energy advisory services and supply fulfillment for natural gas and power to commercial, industrial and government customers. Our intention is to become a leading global energy management company offering a full suite of energy advisory, management and fulfillment services, technology solutions, as well as sustainability products and services across the energy product spectrum. We also offer payment management solutions, principally in the aviation industry. We will continue to focus on enhancing the portfolio of products and services we provide based on changes in customer demand, including sustainability offerings and renewable energy solutions.

#### COVID-19

The outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020, has created significant volatility, uncertainty and disruption in the global economy. The rapid spread of the virus caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions, among others.

Beginning in the first quarter of 2020 and through the date of this filing, the aviation, marine and land transportation industries, along with global economic conditions generally, have been significantly impacted by the pandemic. A large number of our customers in these industries have experienced substantial decline in business activity, especially commercial airlines and cruise lines, which have been particularly impacted by ongoing travel restrictions. Customers in our marine and land segments have also been adversely affected by these restrictions and the reduction in operations of various businesses in affected regions. Furthermore, government measures and other supply-related factors have also led to a precipitous decline and historic volatility in fuel prices in response to concerns about demand for fuel. In response to these developments, we took swift action to ensure the safety of our employees and other stakeholders and initiated a number of initiatives relating to cost reduction, liquidity and operating efficiencies.

While the pandemic and associated impacts on economic activity had a limited adverse effect on our results of operations and financial condition in the beginning of 2020, we experienced a sharp decline in demand and related sales during the second quarter, as large sectors of the global economy were adversely impacted by the crisis. Accordingly, during the first quarter of 2020, we commenced a restructuring initiative focused on further streamlining our operations and sharpening our deployment of resources, not only in our land segment but also in our other segments due to the adverse impacts of the pandemic. During the second quarter of 2020, we expanded this restructuring to include the rationalization of our global office footprint and approved the abandonment of certain office leases, including the transition of select offices to smaller or more cost-effective locations. While demand showed some moderate improvement during the second half of 2020, our results remained well below pre-pandemic levels.



We make estimates and assumptions that affect the reported amounts within our Consolidated Financial Statements and accompanying Notes as of the date of the Consolidated Financial Statements. We assessed accounting estimates that require consideration of forecasted financial information, including, but not limited to, our allowance for credit losses, the recoverability of the carrying value of our goodwill and long-lived assets. These assessments were conducted in the context of information reasonably available to us, as well as our consideration of the future potential impacts of COVID-19 on our business as of December 31, 2020. At this time, we are unable to predict with specificity the ultimate impact of the crisis, as it will depend on the magnitude, severity and duration of the pandemic, as well as how quickly, and to what extent, normal economic and operating conditions resume on a sustainable basis globally. Accordingly, if the impact is more severe or longer in duration than we have assumed, such impact could potentially result in additional impairments or increases in credit allowances.

## **A. Basis of Presentation**

The Consolidated Financial Statements and related Notes include our parent company and all wholly-owned and majority-owned subsidiaries and joint ventures where we exercise control. Our Consolidated Financial Statements include the operations of acquired businesses after the completion of their acquisition. The decision of whether or not to consolidate an entity requires consideration of majority voting interests, as well as effective economic or other control over the entity. The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Our fiscal year-end is as of and for the year ended December 31 for each year presented. All intercompany transactions among our businesses have been eliminated.

For additional information pertaining to our acquisitions, refer to "Note 3. Acquisitions and Divestitures."

Certain amounts in the Consolidated Financial Statements and accompanying Notes may not add due to rounding. All percentages have been calculated using unrounded amounts.

## **B. New Accounting Standards**

### Adoption of New Accounting Standards

We included below a description of recent new accounting standards that had an impact on the Company's Consolidated Financial Statements. New accounting standards or accounting standards updates not listed below were assessed and determined to be either not applicable or did not have a material impact on the Company's Consolidated Financial Statements or processes.

*Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* In June 2016, Accounting Standards Update ("ASU") 2016-13 was issued, which replaced the incurred loss impairment model with a model that reflects expected credit losses over the lifetime of the asset and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. The guidance in this update, including the subsequent related codification amendments, changed how entities account for credit impairment from trade and other receivables, net investments arising from sales-type and direct financing leases, debt securities, purchased-credit impaired financial assets and other instruments in addition to loans. For receivables and certain other instruments that are not measured at fair value, entities are required to estimate expected credit losses. Under the expected loss model, an entity recognizes a loss upon initial recognition of the asset that reflects all future events that could lead to a loss being realized, regardless of whether it is probable that the future event will occur.

The Company adopted ASU 2016-13, including the related codification amendments, in the first quarter of 2020 utilizing the modified retrospective transition method and applying the transition provisions at the effective date.

The Company implemented changes to business processes and internal controls that support the new standard. As of the date of implementation on January 1, 2020, the Company recognized \$11.1 million as a reduction to the opening retained earnings balance. The main drivers of the consolidated impact at transition are related to the inclusion of future economic conditions, the exclusion of freestanding credit enhancements when estimating the expected credit loss and estimating the lifetime credit losses of notes receivable.

### Accounting Standards Issued But Not Yet Adopted

*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting and Scope.* In March 2020 and January 2021, ASU 2020-04 and ASU 2021-01 were issued, respectively. The amendments provide temporary optional expedients and exceptions to the guidance on contract modifications and hedge accounting to ease the financial reporting burden in accounting for (or recognizing the effects of) contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or other interbank offered rates expected to be discontinued because of reference rate reform. The ASU's were effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is evaluating the contracts that could be affected by an alternative reference rate and assessing the potential effects of the ASU's on the consolidated financial statements but does not anticipate a material impact to its Consolidated Financial Statements or processes. Additionally, LIBOR fallback language has been included, when applicable, in new and renewed contracts entered into by the Company in preparation for transition from LIBOR to alternative reference rates when such transition occurs.

Other recently issued accounting standards not yet adopted by us are not expected, upon adoption, to have a material impact on the Company's Consolidated Financial Statements or processes.

### **C. Estimates and Assumptions**

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could materially differ from estimated amounts. We evaluate our estimated assumptions based on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

### **D. Cash and Cash Equivalents**

Our cash equivalents consist principally of overnight investments, bank money market accounts and bank time deposits which have an original maturity date of less than 90 days. These securities are carried at cost, which approximates market value.

### **E. Accounts Receivable and Allowance for Credit Losses**

Accounts receivable are measured at amortized cost. The health of our accounts receivable is continuously monitored using a risk-based model, taking into consideration both the timeliness and predictability of collections from our customers. We maintain a provision for estimated credit losses based upon our historical experience with our customers, along with any specific customer collection issues that we have identified from current financial information and business prospects, as well as any political or economic conditions or other market factors, including certain assumptions based on reasonable forward-looking information from market sources. Principally based on these credit risk factors, portfolio segments are defined and an internally derived risk-based credit loss reserve is established and applied to each portfolio segment. Customer account balances that are deemed to be at high risk of collectability are reserved at higher rates than customer account balances which we expect to collect without difficulty.

### **F. Inventories**

Inventories are valued primarily using weighted average cost and first-in-first-out in certain limited locations. Inventory is stated at the lower of average cost or net realizable value. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the Consolidated Statements of Income and Comprehensive Income in the period in which it occurs. We utilize a variety of fuel indices and other indicators to calculate the net realizable value. Components of inventory include fuel purchase costs, any related transportation or distribution costs and changes in the estimated fair market values for inventories included in a fair value hedge relationship.

## **G. Business Combinations**

A business combination occurs when an entity obtains control of a business by acquiring its net assets, or some or all of its equity interests.

Before applying the acquisition method, we determine whether a transaction meets the definition of a business combination. For a transaction to be accounted for as a business combination, the entity or net assets acquired must meet the definition of a business as defined in ASC 805. Under the acquisition method, the purchase price is allocated to all identifiable assets acquired, all liabilities assumed and any noncontrolling interest at the fair value as of the acquisition date. Any residual difference with the consideration transferred is recognized as Goodwill. Goodwill arises because the purchase price paid reflects numerous factors, including the strategic value and expected synergies that the acquisition would bring to our existing operations. Acquisition-related costs incurred in connection with a business combination are expensed as incurred.

If the assets acquired do not meet the definition of a business, we account for the transaction as an asset acquisition and goodwill is not recognized but rather any residual difference with the consideration transferred is allocated on a relative fair value basis to all qualifying identifiable net assets acquired.

## **H. Fair Value**

Fair value is the price to sell an asset or transfer a liability and therefore represents an exit price in the principal market (or in the absence of a principal market, the most advantageous market). It represents a market-based measurement that contemplates a hypothetical transaction between market participants at the measurement date.

Depending on the type of assets, we calculate the fair value using the income approach (e.g., based on the present value of estimated future cash flows), the market approach or a combination of both. The unique characteristics of an asset or liability and the availability of observable prices affect the number of valuation approaches and/or techniques used in a fair value analysis. We measure fair value using observable and unobservable inputs. We give the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

We apply the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - Quoted prices in non-active markets or in active markets for similar assets or liabilities, observable inputs other than quoted prices; and inputs that are not directly observable but are corroborated by observable market data.
- Level 3 - Inputs that are unobservable.

For additional information pertaining to our fair value measurements, see "Note 12. Fair Value Measurements."

## **I. Derivatives**

Our derivative contracts are recognized at their estimated fair market value. The fair value of our derivatives is derived using observable and certain unobservable inputs, such as basis differentials, which are based on the difference between the historical prices of our prior transactions and underlying observable data; and incorporates the effect of nonperformance risk.

If the derivative instrument is not designated as a hedge, changes in the estimated fair market value are recognized as a component of Revenue, Cost of revenue or Other income (expense), net (based on the underlying transaction type) in the Consolidated Statements of Income and Comprehensive Income. Derivatives that qualify for hedge accounting may be designated as either a fair value or cash flow hedge. At the inception, and on an ongoing basis, we assess the hedging relationship to determine its effectiveness in offsetting changes in cash flows or fair value attributable to the hedged risk. For our fair value hedges, changes in the estimated fair market value of the hedging instrument and the hedged item are recognized in the same line item as the underlying transaction type in the Consolidated Statements of Income and Comprehensive Income. For our cash flow hedges, the changes in the fair market value of the hedging instrument are initially recognized in other comprehensive income as a separate component of shareholders' equity and subsequently reclassified into the same line item as the underlying forecasted transaction in the Consolidated Statements of Income and Comprehensive Income when both are settled or deemed probable of not occurring. Cash flows for our hedging instruments used in our hedges are classified in the same category as the cash flow from the hedged items. If for any reason hedge accounting is discontinued, then any cash flows subsequent to the date of discontinuance will be classified in a manner consistent with the nature of the instrument. For more information on our derivatives, see "Note 4. Derivatives Instruments."

## **J. Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated primarily by using the straight-line method over the estimated useful lives of the assets. Costs of major additions and improvements are capitalized while expenditures for maintenance and repairs, which do not extend the life of the asset, are expensed. Upon sale or disposition of property and equipment, the cost and related accumulated depreciation and amortization are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Long-lived assets held and used by us (including property and equipment) are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Purchases of computer software and external costs and certain internal costs directly associated with developing significant computer software applications for internal use are capitalized within property and equipment, which also includes hosting arrangements when we have the contractual right to take possession of the software at any time during the hosting period and it is feasible for us to either run the software in our own hardware or contract with another unrelated party to host the software. Amortization of such costs is calculated primarily by using the straight-line method over the estimated useful life of the software.

## **K. Goodwill**

Goodwill is evaluated for impairment at the reporting unit level, initially based on an assessment of qualitative factors to determine whether it is more likely than not that the fair value of any individual reporting unit is less than its carrying amount. Management conducts an impairment assessment as of December 31 of each year, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired.

To determine whether goodwill is impaired, we compare the fair value of the reporting units to which goodwill was assigned to their respective carrying values. In calculating fair value, we use a combination of both an income and market approach as our primary indicator of fair value. Under the market approach, we use a selection of global companies that correspond to each reporting unit to derive a market-based multiple. Under the income approach, we calculate the fair value of a reporting unit based on the present value of estimated future cash flows. The estimated future cash flows are based on the best information available as of the testing date, including our annual operating plan, which is completed annually during the fourth quarter and is approved by our Board of Directors. The estimated cash flows are discounted using rates that correspond to a weighted-average cost of capital consistent with those used internally for investment decisions. All our estimates are considered supportable assumptions that we believe are reasonable and are based on a number of factors including industry experience, internal benchmarks, and the economic environment.

#### **L. Identifiable Intangible Assets**

In connection with our acquisitions, we record identifiable intangible assets at fair value. Identifiable intangible assets subject to amortization are amortized over their estimated useful lives and are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We assess identifiable intangible assets not subject to amortization at least annually during the fourth quarter of each year for potential impairment. This analysis generally involves the use of qualitative and quantitative analyses to estimate whether the estimated future cash flows generated as a result of these assets will be greater than or equal to the carrying value assigned to such assets.

#### **M. Investments**

We held investments where we own less than 50% of the outstanding voting shares of the company. We account for investments primarily under the equity method as we have the ability to exercise significant influence over the operating and financial policies of the investee, but do not have control.

The carrying amount of an equity method investment is increased to reflect our share of income and is reduced to reflect our share of losses of the investee, dividends received and other-than-temporary impairments. Investments accounted for under the equity method are assessed whenever events or changes in circumstances indicate that the carrying amount of an investment may not be recoverable.

We assess our intent and/or ability to recover the carrying amount of the investment over a long period. However, if the fair value of the investment is less than its carrying amount, and the investment will not recover in the near term, then an other-than-temporary impairment is recognized. Impairments are classified as Impairments within the Consolidated Statements of Income and Comprehensive Income.

#### **N. Revenue Recognition**

The majority of our consolidated revenues are generated through the sale of fuel and fuel-related products. We generally recognize fuel sales and services revenue on a gross basis as we have control of the products or services before they are delivered to our customers. In drawing this conclusion, we considered various factors, including inventory risk management, latitude in establishing the sales price, discretion in the supplier selection and that we are normally the primary obligor in our sales arrangements.

Revenue from the sale of fuel is recognized when our customers obtain control of the fuel, which is typically upon delivery of each promised gallon or barrel to an agreed-upon delivery point. Revenue from services, including energy procurement advisory services and international trip planning support, and transaction and payment management processing, are recognized over the contract period when services have been performed and we have the right to invoice for those services.

We have elected not to adjust the contract consideration for the effect of a significant financing component for any contract in which the period between when the Company transfers the promises in the contract and when the customer pays is a year or less. In addition, we have elected to exclude from the transaction price the amount of certain taxes assessed by a government authority that we collect (or recover) from our customer and remit in connection with our sales transactions, such as certain sales or excise taxes.

#### **O. Share-Based Payment Awards**

We account for share-based payment awards on a fair value basis of the equity instrument issued. Under fair value accounting, the grant-date fair value of the share-based payment award is amortized as compensation expense, on a straight-line basis, over the service period (generally, the vesting period) for both graded and cliff vesting awards. We have elected to account for forfeitures as they occur.

## **P. Foreign Currency**

The functional currency of our U.S. and foreign subsidiaries is the U.S. dollar, except for certain subsidiaries which utilize their respective local currency as their functional currency. Foreign currency transaction gains and losses are recognized upon settlement of foreign currency transactions. In addition, for unsettled foreign currency transactions, foreign currency transaction gains and losses are recognized for changes between the transaction exchange rates and month-end exchange rates. Foreign currency transaction gains and losses are included in other income (expense), net, in the accompanying Consolidated Statements of Income and Comprehensive Income in the period incurred.

Revenues and expenses of the subsidiaries that have a functional currency other than the U.S. dollar have been translated into U.S. dollars at average exchange rates prevailing during the period. The assets and liabilities of these subsidiaries have been translated at the rates of exchange on the balance sheet dates. The resulting translation gain and loss adjustments are recorded in accumulated other comprehensive income as a separate component of shareholders' equity.

## **Q. Income Taxes**

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and income tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recorded as a component of the income tax provision in the period that includes the enactment date.

Regular assessments are made on the likelihood that our deferred tax assets will be recovered from our future taxable income. Our evaluation is based on estimates, assumptions, and includes an analysis of available positive and negative evidence, giving weight based on the evidence's relative objectivity. Sources of positive evidence include estimates of future taxable income, future reversal of existing taxable temporary differences, taxable income in carryback years, and available tax planning strategies. Sources of negative evidence include current and cumulative losses in recent years, losses expected in early future years, any history of operating losses or tax credit carryforwards expiring unused, and unsettled circumstances that, if unfavorably resolved, would adversely affect future profit levels.

The remaining carrying value of our deferred tax assets, after recording the valuation allowance on our deferred tax assets, is based on our present belief that it is more likely than not that we will be able to generate sufficient future taxable income in certain tax jurisdictions to utilize such deferred tax assets. The amount of the remaining deferred tax assets considered recoverable could be adjusted if our estimates of future taxable income during the carryforward period change favorably or unfavorably. To the extent we believe that it is more likely than not that some or all of the remaining deferred tax assets will not be realized, we must establish a valuation allowance against those deferred tax assets, resulting in additional income tax expense in the period such determination is made. To the extent a valuation allowance currently exists, we will continue to monitor all positive and negative evidence until we believe it is more likely than not that it is no longer necessary, resulting in an income tax benefit in the period such determination is made.

Significant judgment is required in evaluating our tax positions, and in determining our provisions for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We establish reserves when, despite our belief that the income tax return positions are fully supportable, certain positions are likely to be challenged and we may ultimately not prevail in defending those positions.

## **R. Earnings per Common Share**

Basic earnings per common share is computed by dividing net income attributable to World Fuel and available to common shareholders by the sum of the weighted average number of shares of common stock. Diluted earnings per common share is computed by dividing net income attributable to World Fuel and available to common shareholders by the sum of the weighted average number of shares of common stock 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 awards of restricted stock subject to forfeitable dividends, non-vested restricted stock units ("RSUs"), performance stock units where the performance requirements have been met, and settled stock appreciation rights awards ("SSARs"). The dilutive effect of potentially dilutive securities is reflected in diluted earnings per common share by application of the treasury stock method, except if its impact is anti-dilutive. Under the treasury stock method, an increase in the fair market value of our common stock can result in a greater dilutive effect from potentially dilutive securities.

## **S. Leases**

We adopted ASU 2016-02, including the related codification amendments, in the first quarter of 2019 utilizing the modified retrospective transition method and applying the transition provisions at the effective date.

We determine if an arrangement is a lease at inception. Determining whether a contract contains a lease includes judgment regarding whether the contract conveys the right to control the use of identified property or equipment for a period of time in exchange for consideration.

We account for our lease-related assets and liabilities based on their classification as operating leases or finance leases, following the relevant accounting guidance. For all the lessee arrangements, we have elected an accounting policy to combine non-lease components with the related-lease components and treat the combined items as a lease for accounting purposes. We measure lease related assets and liabilities based on the present value of lease payments, including in-substance fixed payments, variable payments that depend on an index or rate measured at the commencement date, and the amount we believe is probable we will pay the lessor under residual value guarantees when applicable. We discount lease payments based on our estimated incremental borrowing rate at lease commencement (or modification), which is primarily based on our estimated credit rating, the lease term at commencement, and the contract currency of the lease arrangement. We have elected to exclude short term leases (leases with an original lease term less than one year) from the measurement of lease-related assets and liabilities.

We test right-of-use asset in an operating or finance lease at the asset group level (because these assets are long-lived nonfinancial assets and should be accounted for the same way as other long-lived nonfinancial assets) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

## **T. Loss Contingencies**

In determining whether an accrual for a loss contingency is required, we first assess the likelihood of occurrence of the future event or events that will confirm the loss. When a loss is probable (the future event or events are likely to occur) and the amount of the loss can be reasonably estimated, the estimated loss is accrued. If the reasonable estimate of the loss is a range and an amount within the range appears to be a better estimate than any other amount within the range, that amount should be accrued. However, if no amount within the range is a better estimate, the minimum amount in the range should be accrued.

When a loss is reasonably possible (the chance of the future event or events occurring is more than remote but less than likely), no accrual is recognized.

## 2. Accounts Receivable

### Accounts receivable and allowance for credit losses

We extend credit on an unsecured basis to most of our customers. Our exposure to expected credit losses depends on the financial condition of our customers and other macroeconomic factors beyond our control, such as deteriorating conditions in the world economy or in the industries we serve, changes in oil prices and political instability. While we actively manage our credit exposure and work to respond to both changes in our customers' financial conditions or macroeconomic events, there can be no guarantee we will be able to mitigate all of these risks successfully.

We perform ongoing credit evaluations of our customers and adjust credit limits based upon payment history and the customer's current creditworthiness based on expected exposure. Our payment terms with customers are based on each customer's creditworthiness and are generally 30-60 days, although certain markets and other customer-specific factors may warrant longer payment terms. Accounts receivable balances that are not paid within the terms of the sales agreement may be subject to finance fees based on the outstanding balance. Although we analyze customers' payment history and expected creditworthiness, since we extend credit on an unsecured basis to most of our customers, there is a possibility that any accounts receivable not collected may ultimately need to be written off.

We had accounts receivable of \$1.2 billion and \$2.9 billion as of December 31, 2020 and 2019, respectively. We also had an allowance for credit losses, primarily related to accounts receivable, of \$57.3 million and \$35.5 million, as of December 31, 2020 and 2019, respectively. Changes to the expected credit loss provision during the year ended December 31, 2020 include global economic outlook considerations as a result of the Company's assessment of reasonable and supportable forward-looking information including the expected overall impact of the pandemic mainly to the aviation segment. Write-off of uncollectible receivables during the year ended December 31, 2020 resulted from negative impacts of the pandemic combined with pre-existing financial difficulties experienced by certain customers. Based on an aging analysis as of December 31, 2020, 91% of our net accounts receivable were outstanding less than 60 days.

The following table sets forth activities in our allowance for credit losses (in millions):

	2020	2019	2018
Balance as of beginning of period*	\$ 46.6	\$ 39.4	\$ 27.8
Charges to provision for credit losses	63.7	25.9	25.1
Write-off of uncollectible receivables	(53.7)	(32.2)	(16.2)
Recoveries of credit losses	1.0	2.4	2.9
Translation adjustments	(0.3)	—	(0.1)
Balance as of end of period	\$ 57.3	\$ 35.5	\$ 39.4

\* For 2020, the balance as of the beginning of the period includes the \$11.1 million cumulative transition adjustment related to the implementation of ASU 2016-13.

### Trade Accounts Receivable Sale Programs

We have accounts receivable financing programs under receivables purchase agreements ("RPAs") with Wells Fargo Bank, N.A. and Citibank, N.A. that allow for the sale of our accounts receivable in an amount up to 100% of our outstanding qualifying accounts receivable balances and receive cash consideration equal to the total balance, less a discount margin equal to LIBOR plus 1.00% to 3.25%, which varies based on the outstanding accounts receivable at any given time and assumes maximum utilization of the RPA facilities. During the third quarter of 2020, we amended our RPA with Citibank N.A. to, among other things, extend the renewal option term of the RPA through 2024. Accounts receivable sold under the RPAs are accounted for as sales, in accordance with ASC Topic 860, *Transfers and Servicing*, and excluded from Accounts receivable, net of allowance for credit losses on the accompanying Consolidated Balance Sheets. Fees and interest paid under the RPAs are recorded within Interest expense and other financing costs, net on the Consolidated Statements of Income and Comprehensive Income.



Under the RPAs, sold accounts receivable which remained outstanding at December 31, 2020 and 2019, were \$306.9 million and \$405.9 million, respectively. The fees and interest paid under the RPA were \$11.8 million, \$25.9 million, and \$19.9 million, for years ended 2020, 2019 and 2018, respectively. For the years ended December 31, 2020, 2019 and 2018, cash payments to the owners of account receivables were \$4.4 billion, \$8.2 billion and \$7.9 billion respectively and cash proceeds from the sale of account receivables were \$4.3 billion, \$8.2 billion and \$7.9 billion respectively.

### 3. Acquisitions and Divestitures

#### 2020 Divestitures

On September 30, 2020, we completed the sale of our Multi Service payment solutions business ("MSTS") pursuant to the definitive agreement signed on July 30, 2020, for gross cash proceeds at closing of \$303.5 million (cash proceeds net of post-closing working capital adjustments and cash sold was \$259.6 million), subject to additional deferred payment of \$75.0 million of which \$50.0 million will be conditioned on MSTS's achievement of certain financial targets in 2021 and 2022. The contingent consideration was measured at fair value at the day of the closing. The sale resulted in a pre-tax gain of \$80.0 million, net of costs to sell, that was included in Other income (expense), net within our Consolidated Statements of Income and Comprehensive Income. The related tax expense of \$12.9 million was included in Provision for income taxes within our Consolidated Statements of Income and Comprehensive Income. Prior to the sale, MSTS was a reporting unit mainly reported within the land segment. The sale did not meet the criteria to be reported as a discontinued operation.

#### 2020 Acquisitions

During the second quarter of 2020, we acquired an additional interest in a software company in our aviation segment and obtained control. The transaction was accounted for as an asset acquisition and did not have a material impact on our Consolidated Financial Statements.

During the first quarter of 2020, we completed the acquisition of the aviation fuel business from Universal Weather and Aviation, Inc. ("UVair fuel business"), which serves business and general aviation customers worldwide. The acquisition was accounted for as a business combination.

The purchase price allocation was finalized in the third quarter of 2020. The following table summarizes the final aggregate consideration, updated for certain working capital items, and the final fair value of the assets acquired and liabilities assumed. The total consideration includes a deferred payment that is outstanding as of December 31, 2020.

(In millions)

	<b>Total</b>
<b>Cash paid for acquisition of business</b>	<b>\$ 129.0</b>
Amounts due to sellers	30.0
<b>Purchase price</b>	<b>\$ 159.0</b>
<b>Assets acquired:</b>	
Accounts receivable	\$ 42.8
Goodwill and identifiable intangible assets	123.3
Other current and long-term assets	3.8
<b>Liabilities assumed:</b>	
Accounts payable	(9.9)
Other current and long-term liabilities	(1.0)
<b>Purchase price</b>	<b>\$ 159.0</b>

Goodwill in the amount of \$79.1 million was recorded and was assigned to the aviation segment. We anticipate that \$70.2 million of the goodwill assigned to the aviation segment will be deductible for tax purposes and is attributable primarily to the expected synergies and other benefits that we believe will result from combining the acquired operations with the operations of our aviation segment. The identifiable intangible assets were \$44.3 million and primarily consisted of customer relationships and other identifiable assets.

The financial position, results of operations and cash flows of these acquisitions have been included in our Consolidated Financial Statements since their acquisition dates and did not have a material impact on our consolidated revenue and net income for the year ended December 31, 2020; accordingly, pro forma information for these acquisitions have not been provided as the impact was not considered material.

#### **2019 Acquisitions and Divestitures**

We made no material acquisitions or divestitures during 2019.

#### **2018 Acquisitions and Divestitures**

We made no material divestitures during 2018.

During 2018, we completed one acquisition in the land segment. The financial position, results of operations and cash flows of the 2018 acquisition has been included in our Consolidated Financial Statements since its acquisition date and did not have a material impact on our Consolidated Financial Statements as of and for the year ended December 31, 2018.

#### **4. Derivative Instruments**

The following describes our derivative classifications:

*Fair Value Hedges.* Includes derivative contracts we hold to hedge the risk of changes in the price of our inventory.

*Cash Flow Hedges.* Includes derivative contracts we execute to mitigate the risk of price and interest rate volatility in forecasted transactions.

*Non-designated Derivatives.* Includes derivatives we primarily transact to mitigate the risk of market price fluctuations in swaps or futures contracts, as well as certain forward fixed price purchase and sale contracts to hedge the risk of currency rate fluctuations and for portfolio optimization.

In March 2020, we entered into a \$300 million, one-month LIBOR, floating-for-fixed non-amortizing interest rate swap contract ("IR Swap") with a maturity date in March 2025. The IR Swap was designated as a cash flow hedge to mitigate potential adverse changes in interest rates related to certain variable rate debt obligations. Changes in the IR Swap's fair value recorded periodically in Accumulated other comprehensive income, are subsequently reclassified to our Consolidated Statements of Income and Comprehensive Income within Interest expense and other financing costs, net when the underlying hedged variable rate interest payments are accrued.

The following table presents the gross fair value of our derivative instruments and their locations on the Consolidated Balance Sheets (in millions):

Derivative Instruments	Balance Sheet Location	Gross Derivative Assets		Gross Derivative Liabilities	
		As of December 31,		As of December 31,	
		2020	2019	2020	2019
<b>Derivatives designated as hedging instruments</b>					
Commodity contracts	Short-term derivative assets, net	\$ 124.9	\$ —	\$ 120.7	\$ —
	Accrued expenses and other current liabilities	1.0	1.7	2.3	20.0
	Other long-term liabilities	0.1	—	0.5	—
		126.0	1.7	123.5	20.0
Interest rate contract	Accrued expenses and other current liabilities	—	—	1.3	—
	Other long-term liabilities	—	—	2.4	—
		—	—	3.7	—
<b>Total derivatives designated as hedging instruments</b>		126.0	1.7	127.2	20.0
<b>Derivatives not designated as hedging instruments</b>					
Commodity contracts	Short-term derivative assets, net	164.9	65.7	102.7	7.2
	Identifiable intangible and other non-current assets	32.1	23.0	7.9	4.8
	Accrued expenses and other current liabilities	30.5	161.0	68.4	203.4
	Other long-term liabilities	17.5	7.7	23.5	19.7
		245.0	257.3	202.5	235.0
Foreign currency contracts	Short-term derivative assets, net	—	1.2	—	0.2
	Accrued expenses and other current liabilities	7.5	0.9	19.6	11.4
	Other long-term liabilities	—	—	0.2	—
		7.5	2.0	19.8	11.6
<b>Total derivatives not designated as hedging instruments</b>		252.5	259.4	222.3	246.6
<b>Total derivatives</b>		\$ 378.5	\$ 261.1	\$ 349.5	\$ 266.6

For information regarding our derivative instruments measured at fair value after netting and collateral see "Note 12. Fair Value Measurements."

The following table summarizes the gross notional values of our commodity and foreign currency exchange derivative contracts used for risk management purposes that were outstanding as of December 31, 2020 (in millions):

Derivative Instruments	As of December 31,	
	Units	2020
<b>Commodity contracts</b>		
Long	BBL	60.4
Short	BBL	(48.8)
<b>Foreign currency exchange contracts</b>		
Sell U.S. dollar, buy other currencies	USD	(347.0)
Buy U.S. dollar, sell other currencies	USD	559.7

As of December 31, 2020 and 2019, the following amounts were recorded within our Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges (in million):

Line item in the Consolidated Balance Sheets in which the hedged item is included	Carrying Amount of Hedged Asset/(Liabilities)				Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Asset/(Liabilities)			
	As of		As of		As of		As of	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Inventory	\$ 44.5	\$ 30.7	\$ 4.9	\$ 2.3				

The following table presents the effect of fair value and cash flow hedges on income and expense line items in our Consolidated Statements of Income and Comprehensive Income (in millions):

	Location and Amount of Gain and (Loss) Recognized in Income on Fair Value and Cash Flow Hedging Relationships							
	For the Twelve Months Ended December 31,							
	2020		2019		2018			
	Revenue	Cost of Revenue	Interest expense and other financing costs, net	Revenue	Cost of Revenue	Revenue	Cost of Revenue	
Total amounts of income and expense line items in which the effects of fair value or cash flow hedged are recorded	\$ 20,358.3	\$ 19,506.5	\$ 48.6	\$ 36,819.0	\$ 35,707.0	\$ 39,750.3	\$ 38,731.8	
Gain (Loss) on fair value hedge relationships								
Commodity contracts								
Hedged Item	—	(8.2)	—	—	18.1	—	(1.6)	
Derivatives designated as hedging instruments	—	9.4	—	—	(16.1)	—	0.5	
Gain (Loss) on cash flow hedge relationships								
Commodity contracts								
Amount of Gain (Loss) Reclassified from Accumulated OCI into Income	31.3	(181.1)	—	(8.5)	36.6	(23.5)	45.5	
Interest rate contract								
Amount of Gain (Loss) Reclassified from Accumulated OCI into Income	—	—	(0.5)	—	—	—	—	
Total amount of income and expense line items excluding the impact of hedges	\$ 20,327.0	\$ 19,326.6	\$ 48.1	\$ 36,827.5	\$ 35,745.6	\$ 39,773.7	\$ 38,776.1	

For the twelve months ended December 31, 2020, 2019 and 2018, there were no gains or losses recognized in earnings related to our fair value or cash flow hedges that were excluded from the assessment of hedge effectiveness.

As of December 31, 2020, on a pre-tax basis for commodity cash flow hedges, \$108.9 million and \$106.4 million is scheduled to be reclassified from Accumulated other comprehensive loss as an increase to Revenue and increase to Cost of revenue, respectively, over the next twelve months.

The following table presents the effect and financial statement location of our derivative instruments in cash flow hedging relationships on our accumulated other comprehensive income, Consolidated Statements of Income and Comprehensive Income (in millions):

Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Income	For the Year Ended			Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income	For the Year Ended		
	December 31,				December 31,		
	2020	2019	2018		2020	2019	2018
Derivative Instruments				Location			
Commodity contracts	\$ (20.8)	\$ (157.9)	\$ 130.3	Revenue	\$ 31.3	\$ (8.5)	\$ (23.5)
Commodity contracts	(126.4)	160.6	(87.8)	Cost of revenue	(181.1)	36.6	45.5
Interest rate contract	(3.2)	—	—	Interest expense and other financing costs, net	(0.5)	—	—
Foreign Currency contracts	—	—	(1.1)	Other Income (expense) net	—	—	(1.1)
<b>Total gain (loss)</b>	<b>\$ (150.4)</b>	<b>\$ 2.7</b>	<b>\$ 41.5</b>	<b>Total gain (loss)</b>	<b>\$ (150.3)</b>	<b>\$ 28.1</b>	<b>\$ 20.9</b>

For the twelve months ended December 31, 2020, the amounts not recorded in Accumulated Other Comprehensive Income due to intra-period settlement but recognized in Revenue and Cost of revenue was a gain of \$505.6 million and a loss of \$181.6 million, respectively. During the twelve months ended December 31, 2019, the amounts recognized were a loss of \$51.5 million and \$7.1 million in Revenue and Cost of revenue, respectively. For the twelve months ended December 31, 2018, the amounts recognized were a loss of \$34.4 million and a gain of \$21.3 million in Revenue and Cost of revenue, respectively.

The following table presents the effect and financial statement location of our derivative instruments not designated as hedging instruments on our Consolidated Statements of Income and Comprehensive Income (in millions):

Amount of Realized and Unrealized Gain (Loss)	Location	For the Year Ended		
		2020	2019	2018
Derivative Instruments - Non-designated				
Commodity contracts	Revenue	\$ 235.2	\$ 269.5	\$ 147.6
	Cost of revenue	(121.1)	(221.8)	(119.8)
		114.1	47.7	27.8
Foreign currency contracts	Revenue	(3.2)	(0.3)	1.4
	Other (expense) income, net	(13.4)	(0.5)	5.3
		(16.6)	(0.7)	6.7
<b>Total gain</b>		<b>\$ 97.5</b>	<b>\$ 46.9</b>	<b>\$ 34.5</b>

## Credit-Risk-Related Contingent Features

We enter into derivative contracts which may require us to post collateral periodically. Certain of these derivative contracts contain credit-risk-related contingent clauses which are triggered by credit events. These credit events may include the requirement to post additional collateral or the immediate settlement of the derivative instruments upon the occurrence of a credit downgrade or if certain defined financial ratios fall below an established threshold. The following table presents the potential collateral requirements for derivative liabilities with credit-risk-contingent features (in millions):

	Potential Collateral Requirements for Derivative Liabilities with Credit-Risk-Contingent Features	
	As of December 31,	
	2020	2019
Net derivative liability positions with credit contingent features	\$ 20.0	\$ 45.6
Collateral posted and held by our counterparties	—	—
Maximum additional potential collateral requirements	\$ 20.0	\$ 45.6

At December 31, 2020 and 2019, there was no collateral held by our counterparties on these derivative contracts with credit-risk-contingent features.

## 5. Restructuring

As a result of the review of our land business and changes in the overall economic landscape for all our reportable segments due to the COVID-19 pandemic, in the first quarter of 2020, we implemented a restructuring initiative focused on streamlining our operations and rationalizing our deployment and allocation of resources. While we took several actions during the year ended December 31, 2020, our focus has been mainly the cost-reduction initiatives as a result of the pandemic. As a result, the overall land restructuring plan is now expected to be finalized by the end of the second quarter of 2021.

For the year ended December 31, 2020, we incurred \$10.3 million in restructuring costs, comprised principally of certain severance costs included in Restructuring charges in our Consolidated Statements of Income and Comprehensive Income. Our accrued restructuring charges as of December 31, 2020 are included in Accrued expenses and other current liabilities within our Consolidated Balance Sheet.

The following table provides a summary of our restructuring activities during the years ended December 31, 2020 and 2019 (in millions):

	Aviation	Land	Marine	Corporate	Consolidated
Accrued charges as of December 31, 2018	\$ 1.4	\$ 12.6	\$ 2.6	\$ 4.0	\$ 20.7
Restructuring charges	1.2	4.4	1.2	13.0	19.7
Paid during the period	(2.1)	(9.6)	(2.4)	(16.8)	(30.8)
Accrued charges as of December 31, 2019	0.5	7.5	1.3	0.2	9.5
Restructuring charges	3.3	3.9	1.9	1.2	10.3
Paid during the period	(3.0)	(6.7)	(2.3)	(1.4)	(13.3)
Accrued charges as of December 31, 2020	\$ 0.9	\$ 4.6	\$ 0.9	\$ 0.1	\$ 6.6

During the second quarter of 2020, we completed a cost reduction initiative to rationalize our global office footprint and approved the abandonment of certain office leases, including the transition of select offices to smaller or more cost-effective locations. These asset groups, consisting mainly of right-of-use assets and leasehold improvements, were tested for impairment. We concluded that the carrying amounts of these asset groups were not recoverable and the fair value determined was concluded to be nominal based on a discounted cash flow model. As a result, an \$18.6 million impairment charge was recorded during the second quarter of 2020 and included within Asset impairments on our Consolidated Statements of Income and Comprehensive Income.

The following table provides a summary of this impairment by reportable business segment for the for the year ended December 31, 2020 (in millions):

		Aviation	Land	Marine	Corporate	Consolidated
Asset impairments	\$	6.9 \$	5.9 \$	4.0 \$	1.8 \$	18.6

## 6. Property and Equipment

The amount of property and equipment and their respective estimated useful lives are as follows (in millions):

	As of December 31,		Estimated Useful Lives
	2020	2019	
Land	\$ 19.1	\$ 22.3	Indefinite
Buildings and leasehold improvements	74.5	84.8	3 - 40 years
Office equipment, furniture and fixtures	15.3	16.9	3 - 7 years
Computer equipment and software costs	275.8	261.4	3 - 9 years
Machinery, equipment and vehicles	267.7	269.3	3 - 40 years
	652.3	654.8	
Less: Accumulated depreciation and amortization	309.7	293.9	
	\$ 342.6	\$ 360.9	

For 2020, 2019 and 2018, we recorded depreciation expense of \$52.7 million, \$54.5 million and \$45.6 million, respectively.

The amount of computer software costs, including capitalized internally developed software costs and certain hosting arrangement costs are as follows (in millions):

	As of December 31,	
	2020	2019
Computer software costs	\$ 191.7	\$ 169.9
Less: Accumulated amortization	116.1	110.0
Computer software costs, net	\$ 75.6	\$ 59.9

Included in capitalized computer software costs are costs incurred in connection with software development in progress of \$13.7 million and \$22.5 million as of December 31, 2020 and 2019, respectively. For 2020, 2019 and 2018, we recorded amortization expense related to computer software costs of \$18.5 million, \$17.8 million and \$10.9 million, respectively.

## 7. Goodwill and Identifiable Intangible Assets

In 2020, we used a combination of qualitative and quantitative factors to assess goodwill and identifiable intangible assets for impairment for all of our reporting units. As a result of performing these assessments, we determined that no impairment existed as of December 31, 2020 and, therefore, recorded no write-downs to any of our goodwill or identifiable intangible assets not subject to amortization.

## Goodwill

The following table provides information regarding changes in goodwill (in millions):

	Aviation Segment	Land Segment	Total
As of December 31, 2018	\$ 322.9	\$ 529.7	\$ 852.7
Adjustment for sale of business	—	(13.3)	(13.3)
Foreign currency translation of non-USD functional currency subsidiary goodwill	0.7	3.6	4.3
As of December 31, 2019	323.6	520.1	843.7
2020 acquisitions	79.1	—	79.1
Adjustment for sale of business (Note 3)	(7.0)	(64.6)	(71.6)
Foreign currency translation of non-USD functional currency subsidiary goodwill	3.2	4.3	7.4
As of December 31, 2020	\$ 398.8	\$ 459.7	\$ 858.6

## Identifiable Intangible Assets

The following table provides information about our identifiable intangible assets (in millions):

	As of December 31, 2020			As of December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization <sup>(1)</sup>	Net	Gross Carrying Amount	Accumulated Amortization <sup>(1)</sup>	Net
Intangible assets subject to amortization:						
Customer relationships	\$ 392.1	\$ 236.5	\$ 155.6	\$ 382.0	\$ 226.5	\$ 155.5
Supplier agreements	31.9	18.0	13.9	39.0	19.8	19.2
Others	37.5	28.6	8.8	40.1	33.5	6.6
	461.5	283.2	178.3	461.1	279.8	181.3
Intangible assets not subject to amortization:						
Trademark/trade name rights	24.5	—	24.5	40.4	—	40.4
	\$ 486.0	\$ 283.2	\$ 202.8	\$ 501.5	\$ 279.8	\$ 221.7

<sup>(1)</sup> Includes the impact of foreign exchange

Intangible amortization expense for 2020, 2019 and 2018 was \$33.1 million, \$32.9 million and \$35.9 million, respectively.

The future estimated amortization of our identifiable intangible assets is as follows (in millions):

	Year Ended December 31,
2021	\$ 30.0
2022	28.5
2023	20.8
2024	19.5
2025	18.3
Thereafter	61.3
	\$ 178.3



## 8. Debt, Interest Income, Expense and Other Finance Costs

In July 2019, we amended our Credit Agreement to, among other things, (i) increase the borrowing capacity of the Credit Facility to \$1.3 billion, (ii) increase the Term Loans to \$525.0 million, (iii) extend the maturity date to July 2024, and (iv) modify certain financial and other covenants to reduce costs and provide greater operating flexibility.

Our Credit Agreement, as amended through December 31, 2020 and which matures in July 2024, consists of a revolving loan under which up to \$1.3 billion aggregate principal amount could be borrowed, repaid and redrawn, based upon specific financial ratios and subject to the satisfaction of other customary conditions to borrowing. Our Credit Facility includes a sublimit of \$400.0 million for the issuance of letters of credit and bankers' acceptances, and we have the right to request increases in available borrowings up to an additional \$200.0 million, subject to the satisfaction of certain conditions. We had no outstanding borrowings under our Credit Facility at December 31, 2020. At December 31, 2019 we had outstanding borrowings of \$55.0 million.

Our issued letters of credit under the Credit Facility totaled \$3.4 million and \$4.3 million as of December 31, 2020 and 2019, respectively. Additionally, as of December 31, 2020 and 2019, we had \$503.2 million and \$515.6 million in Term Loans outstanding, respectively.

As of December 31, 2020 and 2019, the unused portion of our Credit Facility was \$1.3 billion and \$1.2 billion, respectively. The unused portion of our Credit Facility is limited by, among other things, our financial leverage ratio, which limits the total amount of indebtedness we may incur, and may, therefore, fluctuate from period to period.

Borrowings under our Credit Facility and Term Loans related to base rate loans or Eurodollar rate loans bear floating interest rates plus applicable margins. As of December 31, 2020, the applicable margins for base rate loans and Eurodollar rate loans were 0.75% and 1.75%, respectively.

Our Credit Facility and Term Loans contain certain financial and other covenants with which we are required to comply. Our failure to comply with the covenants contained in our Credit Facility and our Term Loans could result in an event of default. An event of default, if not cured or waived, would permit acceleration of any outstanding indebtedness under the Credit Facility and our Term Loans, trigger cross-defaults under certain other agreements to which we are a party and impair our ability to obtain working capital advances and issue letters of credit, which would have a material adverse effect on our business, financial condition, results of operations and cash flows. As of December 31, 2020, we were in compliance with all financial covenants contained in our Credit Facility and our Term Loans.

Outside of our Credit Facility, we have other uncommitted credit lines primarily for the issuance of letters of credit, bank guarantees and bankers' acceptances. These credit lines are renewable on an annual basis and are subject to fees at market rates. As of December 31, 2020 and 2019, our outstanding letters of credit and bank guarantees under these credit lines totaled \$328.4 million and \$375.2 million, respectively. Substantially all of the letters of credit and bank guarantees issued under our Credit Facility and the uncommitted credit lines were provided to suppliers in the normal course of business and generally expire within one year of issuance. Expired letters of credit and bank guarantees are renewed as needed.

Our debt consisted of the following (in millions):

	As of December 31,	
	2020	2019
Credit Facility	\$ —	\$ 55.0
Term Loans	503.2	515.6
Finance leases	18.2	18.7
Other*	3.3	39.5
<b>Total debt</b>	<b>524.7</b>	<b>628.8</b>
Less: Current maturities of long-term debt and finance leases*	22.9	54.1
<b>Long-term debt</b>	<b>\$ 501.8</b>	<b>\$ 574.7</b>

\*At December 31, 2019, includes secured borrowing of \$37.3 million (EUR 33.6 million) for the transfer of tax receivables which was extinguished in 2020.

As of December 31, 2020, the aggregate annual maturities of debt are as follows (in millions):

	Year Ended December 31,	
2021		\$ 24.3
2022		30.2
2023		29.2
2024		15.3
2025		422.2
Thereafter		3.5
		\$ 524.7

The following table provides additional information about our interest income, interest expense and other financing costs, net (in millions):

	2020	2019	2018
Interest income	\$ 3.6	\$ 6.2	\$ 3.9
Interest expense and other financing costs	(48.6)	(80.0)	(74.8)
	\$ (44.9)	\$ (73.9)	\$ (71.0)

## 9. Commitments and Contingencies

### Surety Bonds

In the normal course of business, we are required to post bid, performance and other surety-related bonds. The majority of the surety bonds posted relate to our aviation and land segments. We had outstanding bonds that were executed in order to satisfy various security requirements of \$50.6 million and \$53.1 million, as of December 31, 2020 and 2019, respectively.

### Sales and Purchase Commitments

As of December 31, 2020, the notional value associated with fixed sales and purchase commitments under our derivative programs amounted to \$374.8 million and \$88.4 million, respectively with delivery dates from 2021 through 2026. Additionally, we have certain purchase contracts that extend through 2026, under which we agreed to purchase annually between 1.83 million barrels and 2.02 million barrels of aviation fuel at future market prices.

## Agreements with Executive Officers and Key Employees

We have an agreement with our Chairman, President and Chief Executive Officer, Michael J. Kasbar (“Mr. Kasbar”), for his continued employment with us which provides for an annual base salary as determined by our Compensation Committee in its sole discretion (currently \$900,000), termination severance benefits, and such incentives and other compensation and amounts as our Compensation Committee may determine from time to time in its sole discretion. Mr. Kasbar's employment agreement, as amended, expires each year on December 31st and automatically extends for successive one-year terms unless either party provides written notice to the other at least one year prior to the expiration of the current term that such party does not want to extend the term. Pursuant to the terms of his agreement, Mr. Kasbar is entitled to receive cash severance payments if: (a) we terminate his employment without cause following a change of control or for any reason other than death, disability or cause; (b) he resigns for good reason (generally a reduction in his responsibilities or compensation, or a breach by us), or resigns following a change of control; or (c) either he elects or we elect not to extend the term of the agreement, as amended. The severance payments are generally equal to \$5.0 million for a termination following a change of control and \$3.0 million in the other scenarios described above, a portion of which is payable two years after the termination of Mr. Kasbar's employment.

Subject to the terms of the applicable equity awards, all of Mr. Kasbar's outstanding SSAR Awards and RSUs (collectively, “outstanding equity awards”) will immediately vest in each scenario described in (a) and (b) above following a change of control, except for awards assumed or substituted by a successor company, in which case, such awards shall continue to vest in accordance with their applicable terms. In each scenario described in (a), (b) or (c) above where there has not been a change of control, Mr. Kasbar's outstanding equity awards will generally vest over a two-year period following termination of his employment, with any remaining unvested awards vesting on the last day of such two-year period. For each scenario described above, awards with multiple annual performance conditions must satisfy certain other requirements in order to have their vesting terms accelerated.

Our other executive officers either participate in our Executive Severance Plan or are parties to a separation agreement. These arrangements provide for severance benefits payable upon termination under certain circumstances. In addition, the applicable equity awards generally vest similarly to Mr. Kasbar's equity awards following a change of control.

As of December 31, 2020, the approximate future minimum commitments under these agreements, excluding discretionary and performance bonuses, are as follows (in millions):

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2021	\$ 0.9
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## Deferred Compensation Plans

We maintain a 401(k) defined contribution plan which covers all U.S. employees who meet minimum requirements and elect to participate. We are currently making a match contribution of 50% for each 1% of the participants' contributions up to 6% of the participants' contributions. Annual contributions by us are made at our sole discretion, as approved by the Compensation Committee. Additionally, certain of our foreign subsidiaries have defined contribution plans, which allow for voluntary contributions by the employees. In some cases, we make employer contributions on behalf of the employees. The expenses for our contributions under these plans were not material during each of the years presented on the Consolidated Statements of Income and Comprehensive Income.

We offer a non-qualified deferred compensation (“NQDC”) plan to certain eligible employees, whereby the participants may defer a portion of their compensation. We do not match any participant deferrals under the NQDC plan. Participants can elect from a variety of investment choices for their deferred compensation and gains and losses on these investments are credited to their respective accounts. The deferred compensation payable amount under this NQDC plan is subject to the claims of our general creditors and was \$14.5 million and \$9.7 million as of December 31, 2020 and December 31, 2019, respectively, which was included in Other long-term liabilities within our Consolidated Balance Sheets.

## **Environmental and Other Liabilities; Uninsured Risks**

Our business is subject to numerous federal, state, local and foreign environmental laws and regulations, including those relating to fuel storage and distribution, terminals, underground storage tanks, the release or discharge of regulated materials into the air, water and soil, the generation, storage, handling, use, transportation and disposal of hazardous materials, and the exposure of persons to regulated materials. A violation of, liability under, or noncompliance with these laws and regulations, or any future environmental law or regulation, could result in material liabilities, including administrative, civil or criminal penalties, remediation costs as well as third-party damages. From time to time, we may be responsible for remediating contamination at properties we own or lease and can be entitled to reimbursement for certain of these costs from state trust funds, as well as various third-party contractual indemnities and insurance policies, subject to eligibility requirements, deductibles, and aggregate caps. Although we continuously review the adequacy of our insurance coverage, we may lack adequate coverage for various risks, including environmental claims. If we are uninsured or under-insured for a claim or claims of sufficient magnitude arising out of our activities, it will have a material adverse effect on our financial position, results of operations and cash flows.

We accrue for environmental assessment and remediation expenses when the future costs are probable and reasonably estimable. At December 31, 2020 and 2019, accrued liabilities for remediation were not material. It is not presently possible to estimate the ultimate amount of all remediation costs that might be incurred or the penalties that may be imposed.

## **Tax Matters**

From time to time, we are under review by various domestic and foreign tax authorities with regard to indirect tax matters and are involved in various challenges and litigation in a number of countries, including, in particular, Brazil and South Korea, where the amounts under controversy may be material. We believe that these assessments are without merit and are currently appealing the actions.

During the quarter ended December 31, 2016, the Korean branch of one of our subsidiaries received assessments of approximately \$10.4 million (KRW 11.7 billion) and during the quarter ended June 30, 2017, an assessment for an additional \$18.5 million (KRW 20.1 billion) from the regional tax authorities of Seoul, South Korea. The assessments primarily consist of fines and penalties for allegedly failing to issue Value Added Tax ("VAT") invoices and report certain transactions during the period 2011-2014. These assessments do not involve failure to pay or collect VAT. We believe that these assessments are without merit and are currently appealing the actions.

We are also involved in a number of tax disputes with federal, state and municipal tax authorities in Brazil, relating primarily to a VAT tax known as ICMS. These disputes are at various stages of the legal process, including the administrative review phase and the collection action phase, and include assessments of fixed amounts of principal and penalties, plus interest. One of our Brazilian subsidiaries is currently appealing an assessment of approximately \$11.0 million (BRL 57.0 million) from the Brazilian tax authorities relating to the ICMS rate used for certain transactions. The assessment primarily consists of interest and penalties. We believe that the assessment is without merit and are pursuing our remedies in the judicial court system.

When we deem it appropriate and the amounts are reasonably estimable, we establish reserves for potential adjustments to our provision for the accrual of indirect taxes that may result from examinations or other actions by tax authorities. If events occur which indicate payment of these amounts is unnecessary, the reversal of the liabilities will result in the recognition of benefits in the period we determine the liabilities are no longer necessary. If our estimates of any of our federal, state, and foreign indirect tax liabilities are less than the ultimate assessment, it could result in a further charge to expense. Except with respect to the matters described above, we believe that the final outcome of any pending examinations, agreements, administrative or judicial proceedings will not have a material effect on our results of operations or cash flows.

## **Other Matters**

We are also a party to various claims, complaints and proceedings arising in the ordinary course of our business including, but not limited to, environmental claims, commercial and governmental contract claims, such as property damage, demurrage, personal injury, billing and fuel quality claims, as well as bankruptcy preference claims and tax and administrative claims. We have established loss provisions for these ordinary course claims as well as other matters in which losses are probable and can be reasonably estimated. As of December 31, 2020, we had recorded certain reserves that were not material. For those matters where a reserve has not been established and for which we believe a loss is reasonably possible, as well as for matters where a reserve has been recorded but for which exposure to loss in excess of the amount accrued is reasonably possible, we believe that such losses will not have a material adverse effect on our Consolidated Financial Statements. However, any adverse resolution of one or more such claims, complaints or proceedings during a particular period could have a material adverse effect on our Consolidated Financial Statements or disclosures for that period.

Our estimates regarding potential losses and materiality are based on our judgment and assessment of the claims utilizing currently available information. Although we will continue to reassess our reserves and estimates based on future developments, our objective assessment of the legal merits of such claims may not always be predictive of the outcome and actual results may vary from our current estimates.

## **10. Shareholders' Equity**

### **Cash Dividends**

During the years ended December 31, 2020, 2019 and 2018, the Company's Board of Directors declared aggregate cash dividends of \$0.40, \$0.36, and \$0.24 per common share, representing \$25.5 million, \$23.6 million, and \$16.1 million in total dividends, respectively. Our Credit Facility and Term Loans have restrictions regarding the maximum amount of cash dividends allowed to be paid. The payments associated with the above referenced cash dividends were in compliance with our Credit Facility and Term Loans.

### **Stock Repurchase Programs**

In October 2017, our Board of Directors (the "Board") approved a new common stock repurchase program (the "Repurchase Program"), which replaced the program in place at that time, authorizing \$100.0 million in common stock repurchases. In May 2019, the Board authorized an increase to the October 2017 repurchase authorization by \$100.0 million, bringing the authorized repurchases at that time to \$200.0 million. In March 2020, the Board approved a new stock repurchase program authorizing \$200.0 million in common stock repurchases to begin upon the completion of the October 2017 Repurchase Program. Our repurchase programs do not require a minimum number of shares of common stock to be purchased, have no expiration date and may be suspended or discontinued at any time. As of December 31, 2020, approximately \$246.3 million remains available for purchase under our repurchase programs. The timing and amount of shares of common stock to be repurchased under the repurchase programs will depend on market conditions, share price, securities law and other legal requirements and factors.

In 2020, 2019, and 2018, we repurchased 2.6 million, 2.1 million, and 0.7 million shares of common stock for an aggregate value of \$68.3 million, \$65.4 million, and \$20.0 million, respectively.

## Share-Based Payment Plans

### Plan Summary and Description

In May 2016, our shareholders approved the 2016 Omnibus Plan (the “2016 Plan”), which replaced our previously adopted 2006 Omnibus Plan, as amended and restated in 2009 (the “2006 Plan”). The 2016 Plan is administered by the Compensation Committee of the Board of Directors (the “Compensation Committee”). The purpose of the 2016 Plan is to (i) attract and retain persons eligible to participate in the 2016 Plan; (ii) motivate participants, by means of appropriate incentives, to achieve long-range goals; (iii) provide incentive compensation opportunities that are competitive with those of other similar companies; and (iv) further align participants’ interests with those of our other shareholders through compensation that is based on the value of our common stock. The goal is to promote the long-term financial interest of World Fuel and its subsidiaries, including the growth in value of our equity and enhancement of long-term shareholder return. The persons eligible to receive awards under the 2016 Plan are our employees, officers, and members of the Board of Directors, or any consultant or other person who performs services for us.

The provisions of the 2016 Plan authorize the grant of stock options which can be “qualified” or “nonqualified” under the Internal Revenue Code of 1986, as amended, restricted stock, RSUs, SSAR Awards, performance shares and performance units and other share-based awards. The 2016 Plan is unlimited in duration and, in the event of its termination, the 2016 Plan will remain in effect as long as any awards granted under it remain outstanding. No awards may be granted under the 2016 Plan after May 2026. The term and vesting period of awards granted under the 2016 Plan are established on a per grant basis, but options and SSAR Awards may not remain exercisable after the seven-year anniversary of the date of grant.

Under the 2016 Plan, 2.5 million shares of common stock are authorized for issuance plus any shares of common stock with respect to awards that were granted under the 2006 Plan but are forfeited or canceled (e.g., due to the recipient’s failure to satisfy applicable service or performance conditions) after May 2016. As of December 31, 2020, approximately 4.2 million shares of common stock were subject to outstanding awards under the 2016 and 2006 Plans (assuming maximum achievement of performance goals for restricted stock and target achievement of performance goals for RSUs, where applicable).

The following table summarizes the outstanding awards issued pursuant to the 2016 Plan described above as of December 31, 2020 and the remaining shares of common stock available for future issuance (in millions):

Plan name	Restricted Stock	RSUs	SSAR Awards	Remaining shares of common stock available for future issuance
2016 Plan <sup>(1)</sup>	—	1.5	2.2	0.7
2006 Plan <sup>(2)</sup>	—	0.4	0.1	—

<sup>(1)</sup> As of December 31, 2020, unvested RSUs will vest between August 2021 and November 2023 and the outstanding SSAR Awards will expire between March 2022 and March 2025.

<sup>(2)</sup> As of December 31, 2020, unvested restricted stock will vest February 2021, unvested RSUs will vest between March 2021 and May 2021 and the outstanding SSAR Awards will expire March 2021. RSUs granted to non-employee directors under the 2006 Plan prior to 2011 remain outstanding until the date the non-employee director ceases, for any reason, to be a member of the Board of Directors.

## Restricted Stock Awards

The following table summarizes the status of our unvested restricted stock outstanding and related transactions for each of the following years (in millions, except weighted average grant-date fair value price and weighted average remaining vesting term data):

	Unvested Restricted Stock	Weighted Average Grant date Fair Value Price	Aggregate Intrinsic Value	Weighted Average Remaining Vesting Term (in Years)
As of December 31, 2017	0.3	\$ 45.80	\$ 9.7	0.9
Granted	—	—		
Vested	(0.2)	47.48		
Forfeited	(0.1)	44.77		
As of December 31, 2018	0.1	43.63	1.4	1.0
Granted	—	—		
Vested	—	45.35		
Forfeited	—	51.47		
As of December 31, 2019	—	41.56	1.3	0.7
Granted	—	—		
Vested	—	47.36		
Forfeited	—	—		
As of December 31, 2020	—	\$ 36.50	\$ 0.5	0.1

The aggregate intrinsic value of restricted stock which vested during 2020, 2019 and 2018 was \$0.4 million, \$1.0 million and \$3.8 million, respectively, based on the average high and low market price of our common stock at the vesting date.

## RSU Awards

The following table summarizes the status of our RSUs and related transactions for each of the following years (in millions, except for weighted average grant-date fair value data and weighted average remaining contractual life):

RSUs Outstanding				
	RSUs	Weighted Average Grant date Fair Value Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Life (in Years)
As of December 31, 2017	1.6	\$ 41.01	\$ 43.9	1.4
Granted	0.2	22.02		
Vested	(0.3)	46.31		
Forfeited	(0.2)	41.17		
As of December 31, 2018	1.3	37.17	28.3	1.0
Granted	0.3	29.69		
Vested	(0.4)	37.34		
Forfeited	(0.1)	39.86		
As of December 31, 2019	1.2	32.50	53.2	0.9
Granted	1.2	23.30		
Vested	(0.4)	36.12		
Forfeited	(0.2)	32.56		
As of December 31, 2020	1.8	\$ 25.17	\$ 57.1	1.3

The aggregate intrinsic value of RSUs vested during 2020, 2019 and 2018 was \$10.8 million, \$10.4 million and \$5.8 million, respectively.

## SSAR Awards

The following table summarizes the status of our outstanding and exercisable SSAR Awards and related transactions for each of the following years (in millions, except weighted average exercise price and weighted average remaining contractual life data):

	SSAR Awards Outstanding				SSAR Awards Exercisable			
	SSAR Awards	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Life (in Years)	SSAR Awards	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Life (in Years)
As of December 31, 2017	0.7	\$ 40.27	\$ —	3.0	0.2	\$ 42.76	\$ —	0.4
Granted	1.2	27.08						
Exercised	—	—						
Forfeited	(0.4)	38.53						
As of December 31, 2018	1.5	29.75	—	4.0	—	57.48	—	1.2
Granted	0.7	29.68						
Exercised	—	—						
Forfeited	—	—						
As of December 31, 2019	2.2	29.72	31.3	3.4	0.1	50.12	—	1.1
Granted	0.1	23.39						
Exercised	—	—						
Forfeited	—	57.48						
As of December 31, 2020	2.3	\$ 29.08	\$ 7.3	2.5	0.2	\$ 41.85	\$ —	0.8

The aggregate intrinsic value of SSAR Awards exercised during 2020, 2019, and 2018 was zero, respectively.

We currently use the Black Scholes option pricing model to estimate the fair value of SSAR Awards granted to employees. The weighted average fair value of the SSAR Awards for 2020 was \$6.88 and the assumptions used to determine such fair value were as follows: expected term of 4.5 years, volatility of 38.6%, dividend yields of 1.2% and risk-free interest rates of 0.7%. The weighted average fair value of the SSAR Awards for 2019 was \$9.15 and the assumptions used to determine such fair value were as follows: expected term of 4.5 years, volatility of 36.1%, dividend yields of 0.9% and risk-free interest rates of 2.4%. The weighted average fair value of the SSAR Awards for 2018 was \$6.56 and the assumptions used to determine such fair value were as follows: expected term of 4.5 years, volatility of 30.8%, dividend yields of 1.0% and risk-free interest rates of 2.6%.

## Unrecognized Compensation Cost

As of December 31, 2020, there was \$16.6 million of total unrecognized compensation cost related to unvested share-based payment awards, which is included as Capital in excess of par value within our Consolidated Balance Sheets. The unrecognized compensation cost as of December 31, 2020 is expected to be recognized as compensation expense over a weighted average period of 1.1 years as follows (in millions):

	Year Ended December 31,
2021	\$ 8.9
2022	6.1
2023	1.6
2024	—
2025	—
	\$ 16.6



## Other Comprehensive Loss and Accumulated Other Comprehensive Loss

Our other comprehensive loss, consisting of foreign currency translation adjustments related to our subsidiaries that have a functional currency other than the U.S. dollar and cash flow hedges, was as follows (in millions):

	Foreign Currency Translation Adjustments	Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance as of December 31, 2018	\$ (145.0)	\$ 13.3	\$ (131.7)
Other comprehensive income (loss)	8.2	(25.5)	(17.3)
Less: Net other comprehensive (income) loss attributable to noncontrolling interest	2.7	—	2.7
Balance as of December 31, 2019	(134.1)	(12.2)	(146.3)
Other comprehensive income (loss)	13.8	(0.1)	13.7
Balance as of December 31, 2020	\$ (120.3)	\$ (12.3)	\$ (132.6)

The foreign currency translation adjustment gain for 2020 was primarily due to the effect of weakness in the U.S. dollar compared to most foreign currencies, including the British Pound. The foreign currency translation adjustment gain for 2019 was primarily due to the effect of the relative weakness of the U.S. dollar against certain foreign currencies, including the British Pound and the South African rand.

## 11. Income Taxes

U.S. and foreign income before income taxes consist of the following (in millions):

	2020	2019	2018
United States	\$ 51.2	\$ (59.1)	\$ (63.6)
Foreign	110.5	296.4	248.5
	\$ 161.7	\$ 237.3	\$ 184.9

The income tax provision (benefit) related to income before income taxes consists of the following components (in millions):

	2020	2019	2018
Current:			
U.S. federal statutory tax	\$ 10.1	\$ (4.0)	\$ 8.2
State	2.6	1.6	(1.6)
Foreign	42.9	35.9	46.3
	55.6	33.5	52.9
Deferred:			
U.S. federal statutory tax	—	11.0	4.0
State	—	4.6	(6.2)
Foreign	(14.4)	(12.2)	(1.0)
	(14.4)	3.4	(3.2)
Non-current tax expense (income)	10.9	19.3	6.2
	\$ 52.1	\$ 56.2	\$ 55.9

Non-current tax expense (income) is primarily related to income tax associated with the reserve for uncertain tax positions, including associated interest and penalties.

A reconciliation of the U.S. federal statutory income tax rate to our effective income tax rate is as follows:

	2020	2019	2018
U.S. federal statutory tax rate	21.0 %	21.0 %	21.0 %
Foreign earnings, net of foreign taxes	(13.3)	(13.8)	(11.6)
State income taxes, net of U.S. federal income tax benefit	1.3	2.2	(3.3)
U.S. tax on deemed dividends	—	0.9	(0.4)
Tax Act - Transition Tax	(0.7)	0.5	0.7
Tax Reform - GILTI	0.5	6.0	9.7
Tax Reform - BEAT	1.4	0.1	2.8
Deferred tax impact on foreign unrepatriated earnings	(0.9)	0.5	(1.0)
Goodwill impairment	—	—	—
Uncertain tax positions	6.8	8.2	3.4
Foreign currency adjustments	(2.1)	(6.1)	2.2
Intercompany interest transfer pricing adjustment	2.0	1.4	1.5
Nontaxable interest income	(3.0)	(2.3)	(2.7)
Nondeductible interest expense	1.9	1.8	—
Valuation allowance	10.6	1.2	3.0
Sale of Company	3.0	—	—
Non-deductible Officer Compensation	1.2	0.5	0.1
Other permanent differences	2.5	1.6	4.8
Effective income tax rate	32.2 %	23.7 %	30.2 %

For the year ended December 31, 2020, our effective income tax rate was 32.2%, and our income tax provision was \$52.1 million, as compared to an effective income tax rate of 23.7% and an income tax provision of \$56.2 million for 2019. The tax provision includes a tax expense of \$12.9 million for the tax on the gain on the sale of MSTs recorded during the third quarter of 2020. The higher effective income tax rate for 2020, as compared to 2019, resulted primarily from the impact of recording valuation allowances against our deferred tax assets in various foreign jurisdictions, and the differences in the results of our subsidiaries in tax jurisdictions with different tax rates.

For the year ended December 31, 2019, our effective income tax rate was 23.7%, for an income tax provision of \$56.2 million, as compared to an effective income tax rate of 30.2% and an income tax provision of \$55.9 million for 2018. The lower effective income tax rate for 2019 resulted principally from the benefits of differences in the results of our subsidiaries in tax jurisdictions with different income tax rates, the impacts of BEAT and GILTI, other permanent tax differences, and one-time return-to-provision foreign exchange statutory adjustments. These benefits were reduced by increases in uncertain tax positions and the effect of state income taxes. Several final and proposed regulations were issued for U.S. federal income tax purposes during 2019 regarding BEAT, foreign tax credits, and GILTI, among other areas. The Treasury Department and IRS released final and proposed regulations regarding BEAT on December 2, 2019 and provided an election to waive deductions for purposes of determining base erosion payments which we elected to apply to both 2018 and 2019. Our 2019 effective income tax rate and income tax expense reflect the results of this election for 2019 and the one-time benefit for 2018.

For the year ended December 31, 2018, our effective income tax rate was 30.2%, for an income tax provision of \$55.9 million, as compared to an effective income tax rate of (707.1)% and an income tax provision of \$149.2 million for 2017. The lower effective income tax rate for 2018 resulted primarily from differences in the results of our subsidiaries in tax jurisdictions with different income tax rates, the effects of the Act's \$143.7 million one-time transition tax on historic accumulated foreign earnings, and a goodwill impairment. Without the transition tax charge, the effective income tax rate for 2017 would have been (25.9)%.

We have analyzed our global working capital and cash requirements and the potential tax liabilities attributable to repatriation and have determined that we intend to continue our assertion that the earnings of certain of our non-U.S. subsidiaries are indefinitely reinvested. At December 31, 2020, \$963.6 million of our foreign earnings were permanently reinvested in non-US business operations. For these investments, if not reinvested indefinitely, we could potentially owe approximately \$212.0 million in foreign withholding tax. For the remaining \$1.4 billion accumulated foreign earnings that are actually or deemed repatriated, we have made an estimate of the associated foreign withholding and state income tax effects of \$10.4 million for 2020.

The temporary differences which comprise our net deferred tax liabilities are as follows (in millions):

	As of December 31,	
	2020	2019
<b>Gross Deferred Tax Assets:</b>		
Bad debt reserve	\$ 15.2	\$ 4.2
Net operating loss	57.4	40.1
Accrued and other share-based compensation	14.7	27.1
Leases	2.5	—
Accrued expenses	3.9	6.0
U.S. foreign income tax credits	1.2	3.0
Other income tax credits	0.2	0.2
Customer deposits	1.2	3.1
Investments	1.9	1.9
Unrealized foreign exchange	16.4	—
Cash flow hedges	2.9	3.9
Interest Limitation	10.7	6.1
Other	—	—
<b>Total gross deferred tax assets</b>	<b>128.2</b>	<b>95.6</b>
Less: Valuation allowance	48.0	32.5
<b>Gross deferred tax assets, net of valuation allowance</b>	<b>80.2</b>	<b>63.1</b>
<b>Deferred Tax Liabilities:</b>		
Depreciation	(23.2)	(11.7)
Goodwill and intangible assets	(54.8)	(53.5)
Unrealized foreign exchange	—	(6.3)
Prepaid expenses, deductible for tax purposes	(3.3)	(4.2)
Deferred tax costs on foreign unrepatriated earnings	(10.4)	(12.0)
Unrealized derivatives	(6.4)	(3.8)
Other	(2.3)	(5.6)
<b>Total gross deferred tax liabilities</b>	<b>(100.4)</b>	<b>(97.1)</b>
<b>Net deferred tax liability</b>	<b>\$ 20.2</b>	<b>\$ 34.0</b>
<b>Net deferred tax asset</b>	<b>—</b>	<b>—</b>
Reported on the Consolidated Balance Sheets as:		
Identifiable intangible and other non-current assets for deferred tax assets, non-current	\$ 33.7	\$ 20.7
<b>Non-current income tax liabilities, net of deferred tax liabilities, non-current</b>	<b>\$ 53.6</b>	<b>54.1</b>

As of December 31, 2020 and 2019, we had gross net operating losses (“NOLs”) of approximately \$418.2 million and \$375.9 million, respectively. The NOLs as of December 31, 2020, originated in various U.S. states and non-U.S. countries. We have recorded a deferred tax asset of \$57.4 million reflecting the benefit of the NOL carryforward as of December 31, 2020. This deferred tax asset expires as follows (in millions):

Net Operating Loss	Expiration Date	Deferred Tax Asset
US States	2021-2040	\$ 8.2
US States	Indefinite	\$ 2.8
Foreign	2022-2040	\$ 4.9
Foreign	Indefinite	\$ 41.5
	Total	\$ 57.4

We assessed the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. On the basis of this evaluation, as of December 31, 2020, a valuation allowance of \$48.0 million has been recorded to recognize only the portion of the deferred tax assets that are more likely than not to be realized, \$42.2 million of which relates to the deferred tax asset for NOLs. The amount of the deferred tax asset considered realizable could be adjusted if estimates of future taxable income during the carryforward period change or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as growth projections.

We operate under a special income tax concession in Singapore which began January 1, 2008 and is subject to renewal. Our current five-year income tax concession period began on January 1, 2018 and is conditional upon our meeting certain employment and investment thresholds which, if not met in accordance with our agreement, may eliminate the benefit beginning with the first year in which the conditions are not satisfied. The income tax concession reduces the income tax rate on qualified sales and derivative gains and losses. The impact of this tax concession decreased foreign income taxes by \$2.4 million, \$4.3 million, and zero for 2020, 2019, and 2018 respectively. The impact of the income tax concession on basic earnings per common share was \$0.04, \$0.07, and zero for 2020, 2019, and 2018 respectively. On a diluted earnings per common share basis, the impact was \$0.04, \$0.06, and zero for 2020, 2019, and 2018 respectively.

#### Income Tax Contingencies

We recorded a net increase of \$12.2 million of liabilities related to Unrecognized Tax Liabilities and no change in assets related to Unrecognized Tax Assets during 2020. In addition, during 2020, we recorded an increase of \$4.0 million to our Unrecognized Tax Liabilities related to a foreign currency translation loss, which is included in Other income (expense), net, in the accompanying Consolidated Statements of Income and Comprehensive Income. As of December 31, 2020, our Unrecognized Tax Liabilities, including penalties and interest, were \$99.0 million and our Unrecognized Tax Assets were \$25.4 million.

During 2019, we recorded a net increase of \$9.5 million of liabilities related to Unrecognized Tax Liabilities and a net decrease of \$4.1 million of assets related to Unrecognized Tax Assets. In addition, during 2019, we recorded an increase of \$0.2 million to our Unrecognized Tax Liabilities related to a foreign currency translation loss, which is included in Other income (expense), net, in the accompanying Consolidated Statements of Income and Comprehensive Income. As of December 31, 2019, our Unrecognized Tax Liabilities, including penalties and interest, were \$84.0 million and our Unrecognized Tax Assets were \$25.5 million.

The following is a tabular reconciliation of the total amounts of gross Unrecognized Tax Liabilities for the year (in millions):

	2020		2019		2018	
Gross Unrecognized Tax Liabilities – opening balance	\$	66.5	\$	57.0	\$	58.8
Gross increases – tax positions in prior period		4.8		12.2		3.6
Gross decreases – tax positions in prior period		(0.5)		(13.5)		(10.6)
Gross increases – tax positions in current period		12.3		14.9		11.5
Gross decreases – tax positions in current period		—		—		—
Settlements		(0.1)		(1.4)		(1.5)
Lapse of statute of limitations		(4.8)		(2.7)		(4.8)
Gross Unrecognized Tax Liabilities – ending balance	\$	78.2	\$	66.5	\$	57.0

If our gross Unrecognized Tax Liabilities, net of our Unrecognized Tax Assets of \$25.4 million, as of December 31, 2020, are settled by the taxing authorities in our favor or otherwise resolved, our income tax expense would be reduced by \$52.7 million (exclusive of interest and penalties) in the period the matter is considered settled or resolved in accordance with Accounting Standards Codification 740. This would have the impact of reducing our 2020 effective income tax rate by 32.8%. As of December 31, 2020, it is possible that approximately \$5.4 million of our unrecognized income tax liabilities may decrease within the next twelve months.

We record accrued interest and penalties related to unrecognized income tax benefits as income tax expense. Related to the uncertain income tax benefits noted above, for interest we recorded expense of \$3.1 million, \$4.6 million and \$1.2 million during 2020, 2019, and 2018, respectively. For penalties, we recorded expense of \$0.2 million and income of \$0.2 million and \$1.9 million during 2020, 2019 and 2018, respectively. As of December 31, 2020 and 2019, we had recognized liabilities of \$16.2 million and \$13.1 million for interest and \$4.6 million and \$4.4 million for penalties, respectively.

We have various tax returns under examination both in the U.S. and foreign jurisdictions. The most significant of these are in Denmark for the 2013 - 2015 tax years, South Korea for the 2011 - 2014 tax years, and the U.S. for 2017 - 2018 tax years. One of our subsidiaries in Denmark has been under audit for its 2013 - 2015 tax years since 2018. In January 2021, we received final tax assessments for the 2013 and 2014 years of approximately \$0.6 million (DKK 3.7 million) and \$0.8 million (DKK 4.9 million), respectively. We believe these assessments are without merit and are currently appealing the actions. We have not yet received any proposed or final assessments related to the 2015 tax year, which could be materially larger than the previous assessments if a similar methodology is applied. In 2017, the Korean Branch of one of our subsidiaries received income tax assessment notices for \$10.4 million (KRW 11.3 billion) from the South Korea tax authorities. We believe that these assessments are without merit and are currently appealing the actions. In addition, in January of 2020, we received a notice of examination from the IRS for the 2017 - 2018 tax years, we continue to respond to information requests. An unfavorable resolution of one or more of the above matters could have a material adverse effect on our operating results or cash flows in the quarter or year in which the adjustments are recorded, or the tax is due or paid. As examinations are still in process, or have not yet reached the final stages of the appeals process, the timing of the ultimate resolution or payments that may be required cannot be determined at this time.

In many cases, our uncertain tax positions are related to tax years that remain subject to examination by the relevant taxing authorities. The following table summarizes these open tax years by jurisdiction with material uncertain tax positions:

Jurisdiction	Open Tax Year	
	Examination in progress	Examination not yet initiated
Denmark	2013 - 2015	2016 - 2020
South Korea	2011 - 2014	2015 - 2020
Greece	None	2016 - 2020
Other non-U.S.	None	2014 - 2020

## 12. Fair Value Measurements

The carrying amounts of cash and cash equivalents, net accounts receivable, accounts payable and accrued expenses and other current liabilities approximate fair value based on the short-term maturities of these instruments. The carrying values of our debt and notes receivable approximate fair value since these instruments bear interest either at variable rates or fixed rates which are not significantly different from market rates. Based on the fair value hierarchy, our total debt of \$524.7 million and \$628.8 million as of December 31, 2020 and 2019, respectively, and our notes receivable of \$45.7 million and \$21.0 million as of December 31, 2020 and 2019, respectively are categorized in Level 2.

### Recurring Fair Value Measurements

The following table presents information about our gross assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2020 and 2019 (in millions):

	Fair Value Measurements as of December 31, 2020			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
<b>Assets:</b>				
Commodities contracts	\$ 233.5	\$ 127.9	\$ 9.5	\$ 371.0
Foreign currency contracts	—	7.5	—	7.5
Cash surrender value of life insurance	—	11.4	—	11.4
<b>Total assets at fair value</b>	<b>\$ 233.5</b>	<b>\$ 146.8</b>	<b>\$ 9.5</b>	<b>\$ 389.9</b>

<b>Liabilities:</b>				
Commodities contracts	\$ 223.0	\$ 96.8	\$ 6.3	\$ 326.0
Interest rate contract	—	3.7	—	3.7
Foreign currency contracts	—	19.8	—	19.8
<b>Total liabilities at fair value</b>	<b>\$ 223.0</b>	<b>\$ 120.2</b>	<b>\$ 6.3</b>	<b>\$ 349.5</b>

	Fair Value Measurements as of December 31, 2019			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
<b>Assets:</b>				
Commodities contracts	\$ 148.3	\$ 100.0	\$ 10.7	\$ 259.0
Foreign currency contracts	—	2.0	—	2.0
Cash surrender value of life insurance	—	9.4	—	9.4
<b>Total assets at fair value</b>	<b>\$ 148.3</b>	<b>\$ 111.4</b>	<b>\$ 10.7</b>	<b>\$ 270.4</b>

<b>Liabilities:</b>				
Commodities contracts	\$ 177.6	\$ 69.3	\$ 8.1	\$ 255.0
Foreign currency contracts	—	11.6	—	11.6
<b>Total liabilities at fair value</b>	<b>\$ 177.6</b>	<b>\$ 80.9</b>	<b>\$ 8.1</b>	<b>\$ 266.6</b>

The fair values of our commodity contracts measured using Level 3 inputs were not material at December 31, 2020 and 2019, respectively.

For our derivative contracts, we may enter into master netting, collateral and offset agreements with counterparties. These agreements provide us the ability to offset a counterparty's rights and obligations, request additional collateral when necessary or liquidate the collateral in the event of counterparty default. We net the fair value of cash collateral paid or received against fair value amounts recognized for net derivative positions executed with the same counterparty under the same master netting or offset agreement.

The following tables summarize those commodity derivative balances subject to the right of offset as presented within our Consolidated Balance Sheet. We have elected to offset the recognized fair value amounts for multiple derivative instruments executed with the same counterparty in our financial statements when a legal right of offset exists.

Fair Value as of December 31, 2020							
	Gross Amounts Recognized	Gross Amounts Offset	Net Amounts Presented	Cash Collateral	Gross Amounts Without Right of Offset	Net Amounts	
<b>Assets:</b>							
Commodities contracts	\$ 371.0	\$ 287.1	\$ 83.9	\$ 1.2	\$ —	\$ 82.7	
Foreign currency contracts	7.5	7.5	—	—	—	—	
Total assets at fair value	\$ 378.5	\$ 294.6	\$ 83.9	\$ 1.2	\$ —	\$ 82.7	
<b>Liabilities:</b>							
Commodities contracts	\$ 326.0	\$ 287.1	\$ 38.9	\$ 2.3	\$ —	\$ 36.6	
Interest rate contract	3.7	—	3.7	—	—	3.7	
Foreign currency contracts	19.8	7.5	12.3	—	—	12.3	
Total liabilities at fair value	\$ 349.5	\$ 294.6	\$ 54.9	\$ 2.3	\$ —	\$ 52.6	

Fair Value as of December 31, 2019							
	Gross Amounts Recognized	Gross Amounts Offset	Net Amounts Presented	Cash Collateral	Gross Amounts Without Right of Offset	Net Amounts	
<b>Assets:</b>							
Commodities contracts	\$ 259.0	\$ 130.0	\$ 129.0	\$ —	\$ —	\$ 129.0	
Foreign currency contracts	2.0	1.0	1.0	—	—	1.0	
Total assets at fair value	\$ 261.1	\$ 131.1	\$ 130.0	\$ —	\$ —	\$ 130.0	
<b>Liabilities:</b>							
Commodities contracts	\$ 255.0	\$ 130.0	\$ 125.0	\$ 29.3	\$ —	\$ 95.7	
Foreign currency contracts	11.6	1.0	10.5	—	—	10.5	
Total liabilities at fair value	\$ 266.6	\$ 131.1	\$ 135.5	\$ 29.3	\$ —	\$ 106.3	

At December 31, 2020 and 2019, we did not present any amounts gross within our Consolidated Balance Sheet where we had the right of setoff.

### Concentration of Credit Risk

The individual over-the-counter ("OTC") counterparty exposure is managed within predetermined credit limits. It includes the use of cash-call margins when appropriate, thereby reducing the risk of significant nonperformance. At December 31, 2020, none of our OTC counterparties represented over 10% of our total credit exposure to OTC derivative counterparties.

## **Nonrecurring Fair Value Measurements**

In addition to assets and liabilities that are recorded at fair value on a recurring basis, during the fourth quarter, we measured and recorded at fair value an equity method investment as a result of an other-than-temporary impairment. In calculating fair value, we used a combination of an income and market approach. Under the market approach, we used a selection of global companies that compares with the investment. Under the income approach, we used estimated future cash flows based on information available to us. Due to the significance of unobservable inputs, the measurement is categorized in Level 3. The fair values of nonrecurring assets or liabilities measured using Level 3 inputs were not material at December 31, 2020 and 2019, respectively.

## **13. Business Segments, Geographic Information and Major Customers**

### **Business Segments**

We operate in three reportable segments consisting of aviation, land and marine. Corporate expenses are allocated to the segments based on usage, where possible, or on other factors according to the nature of the activity. Our operating segments are determined based on the different markets in which we provide products and services, which are defined primarily by the customers and the products and services provided to those customers. Accordingly, our aviation, land and marine segments are organized based on the specific markets their functional business components serve, which are primarily businesses and governmental customers operating in those respective markets.

In our aviation segment, we offer fuel and related products and services to major commercial airlines, second and third-tier airlines, cargo carriers, regional and low cost carriers, airports, fixed based operators, corporate fleets, fractional operators, private aircraft. In addition, we supply products and services to U.S. and foreign government, intergovernmental and military customers, such as the North Atlantic Treaty Organization ("NATO") and the U.S. Defense Logistics Agency.

In our land segment, we offer fuel, lubricants, power and natural gas solutions through World Kinect, our global energy management brand, our energy management services platform, and related products and services to customers including petroleum distributors operating in the land transportation market, retail petroleum operators, and industrial, commercial, residential and government customers.

Our marine segment product and service offerings include fuel, lubricants and related products and services to a broad base of customers, including international container and tanker fleets, commercial cruise lines, yachts and time charter operators, offshore rig owners and operators, the U.S. and foreign governments as well as other fuel suppliers.

Within each of our segments, we may enter into derivative contracts to mitigate the risk of market price fluctuations and also to offer our customers fuel pricing alternatives to meet their needs.



Information concerning our revenue, gross profit and income from operations by segment is as follows (in millions):

	For the Year Ended December 31,		
	2020	2019	2018
<b>Revenue:</b>			
Aviation segment	\$ 8,179.6	\$ 18,479.5	\$ 19,119.7
Land segment	6,663.1	10,280.9	11,381.1
Marine segment	5,515.7	8,058.5	9,249.5
	\$ 20,358.3	\$ 36,819.0	\$ 39,750.3
<b>Gross profit:</b>			
Aviation segment	\$ 352.9	\$ 551.6	\$ 507.8
Land segment	347.6	378.9	364.9
Marine segment	151.4	181.5	145.8
	\$ 851.8	\$ 1,112.0	\$ 1,018.5
<b>Income from operations:<sup>(1)</sup></b>			
Aviation segment	\$ 84.5	\$ 283.9	\$ 250.6
Land segment	72.6	55.0	47.8
Marine segment	58.5	67.1	37.8
	215.6	406.1	336.3
Corporate overhead - unallocated	(77.8)	(106.4)	(76.6)
	\$ 137.9	\$ 299.7	\$ 259.7
<b>Depreciation and amortization</b>			
Aviation segment	\$ 31.5	\$ 28.5	\$ 27.5
Land segment	45.3	48.0	46.5
Marine segment	3.8	4.5	2.2
Corporate segment	5.2	6.4	5.3
	\$ 85.8	\$ 87.4	\$ 81.5
<b>Capital expenditures:</b>			
Aviation segment	\$ 17.6	\$ 23.0	\$ 19.7
Land segment	12.5	26.9	30.9
Marine segment	0.8	28.3	2.9
Corporate	20.4	2.7	18.8
	\$ 51.3	\$ 80.9	\$ 72.3

(1) Includes \$10.3 million, \$19.7 million and \$17.1 million of restructuring charges for the years ended December 31, 2020, 2019 and 2018, respectively.

Information concerning our accounts receivable, net, and total assets by segment is as follows (in millions):

	As of December 31,	
	2020	2019
<b>Accounts receivable, net:</b>		
Aviation segment, net of allowance for credit losses of \$41.2 and \$14.6 as of December 31, 2020 and December 31, 2019, respectively	\$ 464.7	\$ 1,098.2
Land segment, net of allowance for credit losses of \$5.0 and \$2.8 as of December 31, 2020 and December 31, 2019, respectively	394.5	863.2
Marine segment, net of allowance for credit losses of \$7.6 and \$18.0 as of December 31, 2020 and December 31, 2019, respectively	379.2	930.5
	<b>\$ 1,238.4</b>	<b>\$ 2,891.9</b>
<b>Total assets:</b>		
Aviation segment	\$ 1,789.5	\$ 2,416.5
Land segment	1,459.5	2,089.4
Marine segment	667.6	1,189.7
Corporate	583.7	296.8
	<b>\$ 4,500.3</b>	<b>\$ 5,992.4</b>

## Geographic Information

Information concerning our revenue and property and equipment, net, as segregated between the Americas, EMEA (Europe, Middle East and Africa) and the Asia Pacific regions, is presented as follows, based on the country of incorporation of the relevant subsidiary (in millions):

	For the Year Ended December 31,		
	2020	2019	2018
<b>Revenue:</b>			
United States	\$ 10,365.2	\$ 19,365.2	\$ 20,555.5
EMEA <sup>(1) (3)</sup>	4,961.0	9,235.1	9,721.9
Asia Pacific <sup>(2) (3)</sup>	3,035.6	4,581.1	5,537.2
Americas, excluding United States	1,996.6	3,637.6	3,935.6
Total	<b>\$ 20,358.3</b>	<b>\$ 36,819.0</b>	<b>\$ 39,750.3</b>

	As of December 31,	
	2020	2019
<b>Property and equipment, net:</b>		
United States	\$ 177.6	\$ 173.0
EMEA	144.1	135.7
Asia Pacific	7.9	44.2
Americas, excluding United States	13.1	8.0
Total	<b>\$ 342.6</b>	<b>\$ 360.9</b>

(1) Includes revenue related to the U.K. of \$3.1 billion, \$5.5 billion and \$6.3 billion for 2020, 2019 and 2018, respectively.

(2) Includes revenue related to Singapore of \$3.0 billion, \$4.5 billion and \$5.4 billion for 2020, 2019 and 2018, respectively.

(3) Geographic revenue information in this table includes impacts from derivatives and hedging activities, which are excluded from that geographic revenue information presented at "Note 14. Revenue."

## Major Customers

During each of the periods presented on the Consolidated Statements of Income and Comprehensive Income, none of our customers accounted for more than 10% of total consolidated revenue. Sales to government customers, which principally consist of sales to NATO in support of military operations in Afghanistan, have accounted for a material portion of our profitability in recent years. The profitability associated with our government business can be significantly impacted by supply disruptions, border closures, road blockages, hostility-related product losses, inventory shortages and other logistical difficulties that can arise when sourcing and delivering fuel in areas that are actively engaged in war or other military conflicts. Our sales to government customers may fluctuate significantly from time to time as a result of the foregoing factors, as well as the level of troop deployments and related activity in a particular region or area or the commencement, extension, renewal or completion of existing and new government contracts.

### 14. Revenue from Contracts with Customers

Our contracts with customers, which are mainly master sales agreements in combination with different types of nominations or standalone agreements, primarily require us to deliver fuel and fuel-related products, while other arrangements require us to complete agreed-upon services. As our contracts go through a formal credit approval process, we only enter into contracts when we determine the amount we expect to be entitled to is probable of collections. Our billing and payment terms generally include monthly invoicing for the prior month's activities with average payment terms of one to three months. We have elected not to adjust the contract consideration for the effect of a significant financing component for any contract in which the period between when the Company transfers the promises in the contract and when the customer pays is a year or less. However, since our contracts have relatively short payment terms, they do not typically result in the provision of significant financing.

We generally recognize fuel sales and services revenue on a gross basis as we have control of the products or services before they are delivered to our customers. In drawing this conclusion, we considered various factors, including inventory risk management, latitude in establishing the sales price, discretion in the supplier selection and that we are normally the primary obligor in our sales arrangements.

The majority of our consolidated revenues are generated through the sale of fuel and fuel-related products. Revenue from the sale of fuel is recognized when our customers obtain control of the fuel, which is typically upon delivery of each promised gallon or barrel to an agreed-upon delivery point. We have determined that each gallon or barrel represents a separate performance obligation, and revenue is recognized at the point in time when control of each gallon or barrel transfer to our customer. We may also incur costs for the transportation of products to the delivery points. Reimbursements of such costs are normally included in the transaction price. In the limited cases, when we coordinate shipping and handling activities after our customer obtains control of goods or services, we have elected to account for these shipping and handling costs as activities to fulfill the promise to transfer the goods.

Our contracts may contain fixed or variable pricing (such as market or index-based pricing) or some combination of those. The pricing structures of our fuel sales that involve variable prices, such as market or index-based pricing or reimbursements of costs, typically correspond to our efforts to transfer the promised fuel, and we recognize revenue based on those variable prices for the related gallons or barrels that we have delivered. In addition, we have elected to exclude from the transaction price the amount of certain taxes assessed by a government authority that we collect (or recover) from our customer and remit in connection with our sales transactions, such as certain sales or excise taxes.

Within our land and aviation segments, contracts with customers may include multi-year sales contracts, which are priced at market-based indices and require minimum volume purchase commitments from our customers. The consideration expected from these contracts is considered variable due to the market-based pricing and the variability is not resolved until delivery is made to our customers. We have elected to apply the optional exemption from estimating and disclosing the variable consideration from our remaining performance obligations under these contracts.

We also have fixed price fuel and fuel-related product sale contracts with a contract term of less than one year (typically one month). For these contracts, we apply the optional exemption, to not disclose the amount of transaction price allocated to remaining performance obligations. We also apply this exemption to those contracts in which the right to consideration corresponds directly with the value to the customer of the entity's performance to date. In limited cases, we may have multi-period fixed price contracts. Because our long-term supply arrangements that exceed one year are typically based on market index prices as previously discussed, the transaction price associated with remaining performance obligations under multi-year fixed price fuel sale contracts are not significant.

We also earn a minor amount of revenue from contracts to provide services, including energy procurement advisory services, international trip planning support, and transaction and payment management processing, which typically represent a single performance obligation for the series of daily services. We generally recognize revenue over the contract period when services have been performed based on our right to invoice for those services.

### Disaggregated revenue

The following table presents our revenues from contracts with customers disaggregated by major geographic areas and by segment (in millions):

	For the Year Ended December 31,		
	2020	2019	2018
Aviation	\$ 542.1	\$ 1,410.2	\$ 1,564.6
Land	10.6	18.2	3.3
Marine	2,436.8	2,929.2	3,552.1
Asia Pacific	2,989.4	4,357.7	5,120.1
Aviation	1,403.4	3,824.3	3,641.4
Land	1,744.5	2,425.4	2,563.6
Marine	1,630.8	2,739.1	3,148.3
EMEA	4,778.7	8,988.9	9,353.4
Aviation	1,069.9	2,347.1	1,931.6
Land	440.1	612.4	631.8
Marine	483.5	678.1	610.2
LATAM	1,993.5	3,637.7	3,173.6
Aviation	4,618.4	10,933.0	12,025.7
Land	4,359.6	7,017.0	8,038.0
Marine	851.6	1,415.2	1,480.5
North America	9,829.6	19,365.1	21,544.2
Other revenues (excluded from ASC 606)	767.1	469.6	559.0
	\$ 20,358.3	\$ 36,819.0	\$ 39,750.3

Other revenues (excluded from ASC 606) in the table above includes revenue from leases and other transactions that we account for following separate guidance.

### Accounts receivable, contract assets and contract liabilities

The nature of the receivables related to revenue from contracts with customers and other revenue, are substantially similar, given that they are generated from transactions with the same type of counterparties (e.g., separate fuel sales and storage lease with the same counterparty) and are entered into considering the same credit approval and monitoring procedures for all customers. As such, we believe the risk associated with the cash flows from the different types of receivables is not meaningful to separately disaggregate the Accounts receivable balance presented on our Consolidated Balance Sheet. Furthermore, as of December 31, 2020 and 2019, the contract assets and contracts liabilities recognized by the Company were not material.

## 15. Leases

We enter into lease arrangements for the use of offices, operational facilities, vehicles, vessels, storage tanks and other assets for our operations around the world. Some of these leases are embedded within other arrangements. Some of these arrangements are for periods of twelve months or less, while others are for longer periods, and may include optional renewals, terminations or purchase options, which are considered in our assessments when they are reasonably certain to occur. In addition, certain of these arrangements contain payments based on an index, market-based escalation or volume which may impact future payments. Most of our leases typically contain general covenants, restrictions or requirements such as maintaining minimum insurance coverage.

For the twelve months ended December 31, 2020 and 2019, we recognized the following total lease cost related to our lease arrangements (in millions):

	2020		2019	
Finance lease cost:				
Amortization of right-of-use assets	\$	3.1	\$	4.2
Interest on lease liabilities		0.6		0.5
Operating lease cost		45.6		53.2
Short-term lease cost		25.5		18.3
Variable lease cost		6.4		5.0
Sublease income		(4.4)		(11.4)
Total lease cost	\$	76.8	\$	69.6

We incurred rental expense for all properties and equipment of \$48.7 million for 2018.

As of December 31, 2020, our remaining lease payments were as follows (in millions):

	Operating Leases		Finance Leases	
2021	\$	39.8	\$	4.4
2022		32.4		4.0
2023		26.7		3.3
2024		21.3		2.4
2025		18.1		2.4
Thereafter		54.2		3.6
Total remaining lease payments (undiscounted)		192.5		20.2
Less: imputed interest		34.9		1.9
Present value of lease liabilities	\$	157.6	\$	18.2

Supplemental balance sheet information related to leases (in millions):

Classification		As of December 31, 2020	As of December 31, 2019
<b>Assets</b>			
Operating Lease Assets	Identifiable intangible and other non-current assets	\$ 140.8	\$ 153.7
Finance Lease Assets	Property and equipment, net	17.4	17.8
<b>Liabilities</b>			
Operating Lease Liability - Current	Accrued expenses and other current liabilities	33.2	35.6
Operating Lease Liability - Long Term	Other long-term liabilities	124.3	124.7
Finance Lease Liability - Current	Current maturities of long-term debt	3.8	4.3
Finance Lease Liability - Long Term	Long-term debt	\$ 14.4	\$ 14.4

Other information related to leases for the twelve months ended December 31, 2020 and 2019:

	2020		2019	
Weighted-average remaining lease term (years) - finance leases		5.6		5.6
Weighted-average remaining lease term (years) - operating leases		6.6		6.5
Weighted-average discount rate - finance leases		3.3%		3.2%
Weighted-average discount rate - operating leases		5.6%		5.9%
Cash paid for amounts included in the measurement of lease liabilities (in millions):				
Operating cash flows from finance leases	\$	0.6	\$	0.5
Operating cash flows from operating leases	\$	49.9	\$	52.9
Financing cash flows from finance leases	\$	4.3	\$	4.0
Right of use assets obtained in exchange for new operating lease liability (noncash in millions)	\$	38.9	\$	30.2
Right of use assets obtained in exchange for new finance lease liability (noncash in millions)	\$	4.1	\$	8.2

## 16. Earnings per Common Share

The following table sets forth the computation of basic and diluted earnings per common share for the periods presented (in millions, except per share amounts):

	2020		2019		2018	
Numerator:						
Net income (loss) attributable to World Fuel	\$	109.6	\$	178.9	\$	127.7
Denominator:						
Weighted average common shares for basic earnings per common share		63.7		66.1		67.4
Effect of dilutive securities		0.3		0.4		0.3
Weighted average common shares for diluted earnings per common share		64.0		66.5		67.7
Weighted average securities which are not included in the calculation of diluted earnings per common share because their impact is anti-dilutive or their performance conditions have not been met		3.0		1.4		1.2
Basic earnings (loss) per common share	\$	1.72	\$	2.71	\$	1.89
Diluted earnings (loss) per common share	\$	1.71	\$	2.69	\$	1.89

**17. Summary Quarterly Information (Unaudited)**

The following is a summary of the unaudited quarterly results for 2020 and 2019 (in millions, except earnings per share data):

	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Revenue	\$ 8,015.2	\$ 3,158.3	\$ 4,482.7	\$ 4,702.1
Gross profit	\$ 258.7	\$ 213.9	\$ 214.0	\$ 165.2
Net income (loss) including noncontrolling interest	\$ 41.6	\$ (10.7)	\$ 82.4	\$ (3.8)
Net income (loss) attributable to World Fuel	\$ 41.4	\$ (10.2)	\$ 82.0	\$ (3.6)
Basic earnings (loss) per common share <sup>(1)</sup>	\$ 0.64	\$ (0.16)	\$ 1.29	\$ (0.06)
Diluted earnings (loss) per common share <sup>(1)</sup>	\$ 0.63	\$ (0.16)	\$ 1.29	\$ (0.06)

	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Revenue	\$ 8,678.8	\$ 9,459.4	\$ 9,322.7	\$ 9,358.1
Gross profit	\$ 251.1	\$ 268.6	\$ 305.7	\$ 286.6
Net income including noncontrolling interest	\$ 37.3	\$ 37.6	\$ 49.4	\$ 56.8
Net income attributable to World Fuel	\$ 37.2	\$ 37.0	\$ 48.2	\$ 56.5
Basic earnings per common share <sup>(1)</sup>	\$ 0.55	\$ 0.56	\$ 0.74	\$ 0.86
Diluted earnings per common share <sup>(1)</sup>	\$ 0.55	\$ 0.55	\$ 0.73	\$ 0.86

<sup>(1)</sup> Basic and diluted earnings (loss) per share are computed independently for each quarter and the full year based upon respective weighted average shares outstanding. Therefore, the sum of the quarterly basic and diluted earnings per share amounts may not equal the annual basic and diluted earnings per share amounts reported.

**Item 16. Form 10-K Summary**

We have elected not to include the voluntary, summary information required by Form 10-K under this Item 16.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on February 26, 2021.

WORLD FUEL SERVICES CORPORATION

/s/ MICHAEL J. KASBAR

Michael J. Kasbar  
Chairman, President and Chief Executive Officer

/s/ IRA M. BIRNS

Ira M. Birns  
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 26, 2021.

<b>Signature</b>	<b>Title</b>
<u>/s/ MICHAEL J. KASBAR</u> Michael J. Kasbar	Chairman, President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ IRA M. BIRNS</u> Ira M. Birns	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
<u>/s/ KEN BAKSHI</u> Ken Bakshi	Director
<u>/s/ JORGE L. BENITEZ</u> Jorge L. Benitez	Director
<u>/s/ SHARDA CHERWOO</u> Sharda Cherwoo	Director
<u>/s/ RICHARD A. KASSAR</u> Richard A. Kassar	Director
<u>/s/ JOHN L. MANLEY</u> John L. Manley	Director
<u>/s/ STEPHEN K. RODDENBERRY</u> Stephen K. Roddenberry	Director
<u>/s/ PAUL H. STEBBINS</u> Paul H. Stebbins	Director



**STOCK-SETTLED STOCK APPRECIATION RIGHT AGREEMENT**

1. **Grant of SSARs.** World Fuel Services Corporation, a Florida corporation (the "**Company**") has awarded to [●] (the "**Participant**"), effective as of March [●], 20[●] (the "**Grant Date**") [●] performance-based stock settled stock appreciation rights (the "**SSARs**"). The SSARs have been granted under the Company's 2016 Omnibus Plan (the "**Plan**"), which is incorporated herein for all purposes, and the grant of the SSARs shall be subject to the terms, provisions and restrictions set forth in this Agreement and the Plan. The SSARs entitle the Participant to convert the SSARs into, and to receive, shares of common stock of the Company, \$0.01 par value per share (the "**Common Stock**"), the aggregate Fair Market Value of which is equal to the product of: (A) the number of SSARs granted pursuant to this Agreement and that become vested pursuant to Section 3 hereof, multiplied by (B) the excess of (i) the Fair Market Value of one share of the Common Stock on the date or dates upon which the Participant converts the vested SSARs to Common Stock, over (ii) the Conversion Price. As a condition to entering into this Agreement, and as a condition to the issuance of any shares of Common Stock (or any other securities of the Company), the Participant agrees to be bound by all of the terms and conditions set forth in this Agreement and in the Plan.

2. **Definitions.** Capitalized terms and phrases used in this Agreement shall have the meaning set forth below. Capitalized terms used herein and not defined in this Agreement shall have the meaning set forth in the Plan. Notwithstanding the foregoing, the definitions of "Cause", "Disability" and "Good Reason" shall have the meanings set forth in the Employment Arrangement (as defined below).

(a) "**Committee**" means the Compensation Committee of the Board of Directors of the Company.

(b) "**Conversion Price**" means \$[●], subject to adjustments as provided in Section 4 hereof or pursuant to the Plan.

(c) "**Determination Date**" means the date as soon as reasonably practicable following the date on which the Company's audited financial statements with respect to fiscal year 20[●] are available on which the Committee determines whether the Performance Goal has been achieved; provided, however, that, in the event of a Change of Control in which the SSARs are converted to Acquirer SSARs in accordance with Section 3(b)(i)(B), the Determination Date shall mean December 31, 20[●].

(d) "**Employment Arrangement**" means any employment agreement or individual severance agreement by and between the Company and the Participant, or severance plan maintained by the Company in which the Participant participates as of the Grant Date, in each case, as in effect on the Grant Date.

(e) "**Expiration Date**" means the fifth (5th) anniversary of the Grant Date.

(f) "**Measurement Period**" means the three (3) year period from January 1, 20[●] through December 31, 20[●].

(g) "**Performance Goal**" means the goal set forth on Schedule A, the achievement of which determines the number of SSARs that shall become vested pursuant to this Agreement.

(h) “**Section 409A**” means Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder.

(i) “**Target SSARs**” means fifty percent (50%) of the SSARs.

(j) “**Termination Date**” means the date on which the Participant is no longer an employee of the Company or any Subsidiary.

3. Vesting and Forfeiture of Shares of Common Stock.

(a) On the Determination Date, the Company shall determine the extent to which the Performance Goal has been achieved. Subject to the provisions of this Section 3, the vesting of the SSARs is contingent on the attainment of the Performance Goal. Except as otherwise set forth in this Section 3, all outstanding SSARs will be immediately forfeited on the Determination Date unless the Company determines that the Performance Goal has been satisfied. Upon such determination by the Company and subject to the provisions of the Plan and this Agreement, the Participant shall vest in that percentage of the SSARs as corresponds to the level of the Performance Goal achieved as set forth on Schedule A. Except as otherwise provided in this Section 3, there shall be no proportionate or partial vesting of the SSARs prior to the Determination Date. The Committee retains the sole and plenary discretion to make any adjustment permitted by the Plan or to reduce or eliminate the number of SSARs in accordance with the terms of the Plan for any reason deemed appropriate by the Committee, even if the Performance Goal has been attained and without regard to the Employment Arrangement or any other similar agreement between the Company and the Participant.

(b) The vesting of the SSARs or Acquirer SSARs (as defined below), as applicable, shall be accelerated if and to the extent provided in this Section 3(b):

(i) *Change of Control*. Except as otherwise determined by the Company as set forth in Section 3(b)(i)(B) hereof, in the event that a Change of Control occurs while the Participant is employed by the Company or any Subsidiary, the Participant shall immediately become fully vested and nonforfeitable upon the Change of Control in the number of SSARs as corresponds to the greater of target performance (i.e., 100% of the Target SSARs) and actual performance as determined by the Committee in its reasonable discretion as of the most recent practicable date prior to the Change of Control.

(1) Notwithstanding Section 3(b)(i)(A) hereof, if in the event of a Change of Control the Company determines that the successor company shall assume or substitute the SSARs as of the date of the Change of Control, then the vesting of the SSARs that are assumed or substituted shall not be so accelerated as a result of the Change of Control; provided, however, that the SSARs that are so assumed or substituted shall no longer be subject to the Performance Goal and, instead a number of SSARs shall convert to service-based stock appreciation rights as of the Change of Control based on the greater of target performance (i.e., 100% of the Target SSARs) and actual performance as determined by the Committee in its reasonable discretion as of the most recent practicable date prior to the Change of Control. For this purpose, the SSARs shall be considered assumed or substituted only if (1) the SSARs that are assumed or substituted vest at the time that such SSARs would vest pursuant to this Agreement (based solely on continued service) and (2) immediately following the

Change of Control, the SSARs confer the right to receive for each unvested SSAR held immediately prior to the Change of Control, the consideration (whether stock, cash or other securities or property) received by holders of shares of Common Stock in the transaction constituting a Change of Control for each share of Common Stock held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if such consideration received in the transaction constituting a Change of Control is not solely common stock of the successor company or its parent or subsidiary, the Company may provide that the consideration to be received upon the vesting of any SSARs will be solely common stock of the successor company or its parent or subsidiary substantially equal in fair market value to the per share consideration received by holders of shares of Common Stock in the transaction constituting a Change of Control. The determinations of (x) whether the SSARs shall be assumed or substituted in accordance with this Section 3(b)(i)(B) or shall accelerate vesting in accordance with Section 3(b)(i)(A) hereof and (y) in the event that this Section 3(b)(i)(B) is applicable, such substantial equality of value of consideration shall be made by the Committee in its sole discretion and its determinations shall be conclusive and binding. The award resulting from the assumption or substitution of the SSARs by the successor company shall, except as otherwise provided in this Section 3(b), continue to vest after the Change of Control based solely on the Participant's continued employment with the successor company and its affiliates through the Determination Date, and shall be referred to hereafter as the "**Acquirer SSARs**".

(ii) *Death and Disability.* In the event that the Participant's employment with the Company and its Subsidiaries is terminated due to the Participant's death or Disability (A) prior to a Change of Control and on or before the eighteen (18)-month anniversary of the Grant Date, the Participant shall become immediately vested in the number of Target SSARs pro rated in accordance with Section 3(e) hereof, (B) prior to a Change of Control and following the eighteen (18)-month anniversary of the Grant Date, the Participant shall become vested on the Determination Date in the number of SSARs determined by the Committee following the end of the Measurement Period based on the extent to which the Performance Goal has been achieved and pro rated in accordance with Section 3(e) hereof, or (C) on or following a Change of Control, the Participant shall immediately vest upon the Termination Date in all outstanding Acquirer SSARs. Notwithstanding the foregoing sentence, in the event that a Change of Control occurs following the date that the Participant's employment is terminated due to the Participant's death or Disability following the eighteen (18)-month anniversary of the Grant Date in accordance with Section 3(b)(ii)(B), the number of SSARs shall be determined by the Committee in accordance with Section 3(b)(i) hereof and the Participant shall immediately vest upon the Change of Control in a pro rated portion of such SSARs determined in accordance with Section 3(e) hereof.

(iii) *Termination without Cause or for Good Reason.* In the event that the Participant's employment with the Company and its Subsidiaries is terminated by the Company and its Subsidiaries without Cause or, if applicable, by the Participant for Good Reason (1) prior to a Change of Control and prior to the Determination Date, the Participant shall become vested on the Determination Date in the number of SSARs, if any, determined by the Committee following the end of the Measurement Period based

on the extent to which the Performance Goal has been achieved and pro rated in accordance with Section 3(e) hereof or (2) on or following a Change of Control, the Participant shall immediately vest upon the Termination Date in all outstanding Acquirer SSARs. Notwithstanding the foregoing sentence, in the event that a Change of Control occurs following the date that the Participant's employment is terminated by the Company and its Subsidiaries without Cause or, if applicable, by the Participant for Good Reason prior to the Determination Date, the number of SSARs shall be determined by the Committee in accordance with Section 3(b)(i) hereof, and the Participant shall immediately vest upon the Change of Control in a pro-rated portion of such SSARs determined in accordance with Section 3(e) hereof.

(1) Notwithstanding the foregoing, the vesting set forth in Section 3(b)(iii)(A)(1) hereof shall not occur and the SSARs shall be forfeited if the Participant (1) engages in conduct prior to the Determination Date that constitutes a breach of the Participant's covenants under the Employment Arrangement or under this Agreement with respect to unfair competition, non-competition, non-solicitation, non-disparagement or cooperation or (2) to the extent a release is contemplated by the Employment Arrangement, fails to execute a full general release of all claims in favor of the Company and its affiliates as contemplated by such Employment Arrangement. **Nothing in this Section 3 or this Agreement shall be deemed to limit or modify the non-competition, confidentiality or non-solicitation restrictions to which the Participant is already subject, which restrictions shall continue to be separately enforceable in accordance with their terms.**

(c) *Other Terminations of Employment.* In the event that the Participant's employment with the Company and its Subsidiaries is terminated prior to the Determination Date for any reason other than the Participant's death or Disability, by the Company and its Subsidiaries without Cause or, if applicable, by the Participant for Good Reason, the Participant shall immediately forfeit all the SSARs or Acquirer SSARs (as applicable) on the Termination Date.

(d) *Transfers of Employment.* Termination of employment with the Company (or, if applicable, the successor company) to accept immediate re-employment with a Subsidiary, or vice-versa, or termination of employment with a Subsidiary to accept immediate re-employment with a different Subsidiary, shall not be deemed termination of employment for purposes of this Section 3.

(e) *Pro-Ration of SSARs.* For purposes of clauses (b)(ii) and (b)(iii), the pro-rated portion of the SSARs shall be calculated by multiplying the number of SSARs determined by the Committee based on the extent to which the Performance Goal has been achieved, or the number of Target SSARs in the case of clause (b)(ii)(A), by a fraction, the numerator of which shall be the number of days that have elapsed between the Grant Date and the Termination Date and the denominator of which shall be the total number of days between the Grant Date and the Determination Date, which for this purpose shall 1096, and the remaining portion of such SSARs, if any, shall be forfeited.

(f) The Participant expressly acknowledges that the terms of this Section 3 shall supersede any inconsistent provisions in the Employment Arrangement or any similar agreement between the Participant and the Company or any Subsidiary.

4. Adjustment. The number of SSARs and/or the Conversion Price are subject to adjustment by the Committee in the event of any increase or decrease in the number of issued shares of Common Stock resulting from a subdivision or consolidation of the Common Stock or the payment of a stock dividend on Common Stock, or any other increase or decrease in the number of shares of Common Stock effected without receipt or payment of consideration by the Company.

5. Substitution of SSARs. The Committee shall have the authority to substitute, without receiving the Participant's permission, options to purchase Common Stock for the SSARs in the event that the Committee determines, in its sole discretion, that such substitution is necessary or desirable based on legal, tax and/or accounting requirements applicable to the Company or the Participant; provided that (a) the vesting and expiration terms of any such substituted option shall be the same as set forth in this Agreement, (b) the exercise price of any such substituted option shall be equal to the Conversion Price (as may be adjusted in accordance with Section 4 hereof), and (c) the exercisability and transferability of any such substituted option shall be consistent with the Plan and this Agreement and in compliance with applicable law; and provided, further, that the Committee also shall have the ability to revert, without receiving the Participant's permission, any unvested substituted options to purchase Common Stock back to equivalent SSARs, in the event that the Committee determines, in its sole discretion, that such reversion is necessary or desirable based on legal, tax and/or accounting requirements applicable to the Company or the Participant.

6. Termination of SSARs.

(a) Any SSARs or Acquirer SSARs (as applicable) that have not previously been exercised or forfeited shall immediately terminate on the Expiration Date and be of no further force or effect.

(b) In the event that the Participant's employment with the Company or any Subsidiary is terminated by the Company or a Subsidiary for Cause or, if applicable, by the Participant without Good Reason, (i) the Participant immediately shall forfeit all rights to convert any SSARs or Acquirer SSARs (as applicable) (or exercise any substituted options), which have not vested prior to the Termination Date, and (ii) the Participant's SSARs or Acquirer SSARs (as applicable) (and any substituted options) which vested prior to the Termination Date shall continue to be convertible into Common Stock (or exercisable if substituted options) until the earlier of: (x) three (3) months after the Termination Date, or (y) the Expiration Date. Any vested SSARs or Acquirer SSARs (as applicable) (or substituted options) that are not converted or exercised during the period set forth in the preceding sentence shall immediately terminate and be of no further force or effect as of the end of that period.

(c) In the event that the Participant's employment with the Company and its Subsidiaries is terminated for any reason other than (i) by the Company or a Subsidiary for Cause or (ii) if applicable, by the Participant without Good Reason, the SSARs or Acquirer SSARs (as applicable) (or any substituted options), if any, that then are or subsequently become vested shall be convertible into Common Stock (or exercisable if substituted options) until the earlier of: (x) one (1) year after the Termination Date, or (y) the Expiration Date. Any vested SSARs or Acquirer SSARs (as applicable) (or substituted options) that are not converted or exercised during the period set forth in the preceding sentence automatically shall immediately terminate and be of no further force or effect as of the end of that period.

7. Persons Eligible to Convert SSARs. The vested SSARs or Acquirer SSARs (as applicable) shall be convertible into Common Stock during the Participant's lifetime by the Participant or upon the death of the Participant by a transferee to whom the vested SSARs or Acquirer SSARs (as applicable) or the right to convert the vested SSARs or Acquirer SSARs (as applicable) into Common Stock has been transferred pursuant to Section 8 below.

8. Death of Participant. The Participant may designate, by written notice to the Company's Secretary, a beneficiary or beneficiaries to whom any vested but unconverted portion of the SSARs or Acquirer SSARs (as applicable) shall be transferred upon the death of the Participant. In the absence of such designation, such vested but unconverted portion will be transferred to the Participant's estate. No such transfer of the vested SSARs or Acquirer SSARs (as applicable), or the right to convert the vested SSARs or Acquirer SSARs (as applicable) or any portion thereof into Common Stock, shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and with a copy of the will and/or such evidence as the Committee deems necessary to establish the validity of such transfer or right to convert, and an agreement by the transferee, administrator, or executor (as applicable) to comply with all the terms of this Agreement that are or would have been applicable to the Participant and to be bound by the acknowledgements made by the Participant in connection with this grant.

9. Conversion of SSARs. Subject to Section 21 hereof, the SSARs or Acquirer SSARs (as applicable) may be converted into shares of Common Stock, in whole or in part, by the person then entitled to do so as to any vested portion by giving written notice of conversion to the attention of the Company's Secretary and specifying the number of full shares of Common Stock with respect to which the vested SSARs or Acquirer SSARs (as applicable) are being converted. No partial conversion of the vested SSARs or Acquirer SSARs (as applicable) may be for less than ten (10) shares or multiples thereof. No fractional shares of Common Stock shall be issued by the Company in connection with the conversion of the vested SSARs or Acquirer SSARs (as applicable). In lieu of issuing fractional shares, the Company shall pay the Participant cash in an amount equal to the Fair Market Value of any fractional shares that the Participant may be entitled to receive upon the conversion hereof.

10. No Rights of Stockholder. Neither the Participant (nor any beneficiary or transferee) shall be or have any of the rights or privileges of a stockholder of the Company in respect of any of the shares of Common Stock issuable upon the conversion of the vested SSARs or Acquirer SSARs (as applicable), unless and until the shares of Common Stock are issued to the Participant. Except as expressly provided in Section 4 above or in the Plan, no adjustment to the SSARs or Acquirer SSARs (as applicable) shall be made for dividends or other rights for which the record date occurs prior to the date the certificates representing such shares of Common Stock are issued.

11. No Effect on Employment. Except as otherwise provided in the Employment Arrangement, the Participant's employment with the Company and any Subsidiary is on an at-will basis only. Accordingly, subject to the terms of the Employment Arrangement, nothing in this Agreement or the Plan shall confer upon the Participant any right to continue to be employed by the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company or any Subsidiary, which are hereby expressly reserved, to terminate the employment of the Participant at any time for any lawful reason whatsoever or for no reason, with or without

Cause and with or without notice. Such reservation of rights can be modified only in an express written contract executed by a duly authorized officer of the Company.

12. Transferability. Except as provided in Section 8 above or as otherwise permitted by the Plan, none of the SSARs or Acquirer SSARs (as applicable) may be transferred, directly or indirectly.

13. Other Benefits. Except as provided below, nothing contained in this Agreement shall affect the Participant's right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance or other employee welfare plan or program of the Company or any Subsidiary.

14. Maximum Term of SSARs. Notwithstanding any other provision of this Agreement, none of the SSARs or Acquirer SSARs (as applicable) are convertible into Common Stock after the Expiration Date.

15. Binding Agreement. Subject to the limitation on the transferability of the SSARs or Acquirer SSARs (as applicable) contained herein, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

16. Plan Governs. This Agreement is subject to all of the terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern.

17. Governing Law/Jurisdiction. The validity and effect of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida, without regard to any conflict-of-law rule or principle that would give effect to the laws of another jurisdiction. Any dispute, controversy, or question of interpretation arising under, out of, in connection with, or in relation to this Agreement or any amendments hereof, or any breach or default hereunder, shall be submitted to, and determined and settled by, litigation in the state or federal courts in Miami-Dade County, Florida. Each of the parties hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Miami-Dade County, Florida. Each party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any litigation in Miami-Dade County, Florida.

18. Committee Authority. The Committee shall have all discretion, power and authority to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested persons, and shall be given the maximum deference permitted by law. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement.

19. Captions. The captions provided herein are for convenience only and are not to serve as a basis for the interpretation or construction of this Agreement.

20. Agreement Severable. In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or

unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

21. Taxes; Exercise Price. Prior to converting any vested SSARs or Acquirer SSARs (as applicable) or exercising any vested substituted options, the Participant shall pay to the Company an amount determined by the Company to be sufficient to satisfy any applicable federal, state, local and foreign withholding or other taxes and, in the case of substituted options, the applicable exercise price. The Company or Participant may, at his or her option, permit the Participant or other person converting the vested SSARs or Acquirer SSARs (as applicable) or exercising the vested options to satisfy his or her obligations by surrendering to the Company a portion of the shares of Common Stock that the Participant or such person would otherwise be entitled to receive upon such conversion or exercise; provided, however, that, in the event the Participant elects to satisfy his or her obligations by surrendering a portion of such shares, such election shall be binding on the Company. Any acquisition of shares of Common Stock by the Company as contemplated hereby is expressly approved by the Committee as part of the approval of the SSARs. Until such time as the Participant has satisfied the requirements of this Section 21, the Company shall have no obligation to effect a conversion of SSARs or Acquirer SSARs (as applicable) or exercise of substituted options hereunder.

22. Registration Statement. The Participant acknowledges and agrees that the Company has filed a Registration Statement on Form S-8 (the "**Registration Statement**") under the Securities Act of 1933, as amended (the "**1933 Act**"), to register the shares of Common Stock under the 1933 Act. The Participant acknowledges receipt of the Prospectus prepared by the Company in connection with the Registration Statement. Prior to conversion of the vested SSARs into shares of Common Stock, or exercise of any substituted option, the Participant shall execute and deliver to the Company such representations in writing as may be requested by the Company in order for it to comply with the applicable requirements of federal and state securities law.

23. Miscellaneous. This Agreement and the Plan constitute the entire understanding of the parties on the subjects covered. The Participant expressly warrants that he or she is not executing this Agreement in reliance on any promises, representations, or inducements other than those contained herein. This Agreement and the Plan can be amended or terminated by the Company to the extent permitted under the Plan. Amendments hereto shall be effective only if set forth in a written statement or contract, executed by a duly authorized member of the Committee. The Participant shall at any time and from time to time after the date of this Agreement, do, execute, acknowledge, and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, receipts, acknowledgments, acceptances and assurances as may reasonably be required to give effect to the terms hereof, or otherwise to satisfy and perform the Participant's obligations hereunder. This Agreement may be executed and delivered by facsimile or other electronic signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

24. Section 409A

(a) It is intended that the SSARs (including, for all purposes of this Section 24, the Acquirer SSARs) awarded pursuant to this Agreement be exempt from Section 409A because it is believed that (i) the compensation payable under each SSAR cannot be greater than the excess of the Fair Market Value of a share of Common Stock on the date the SSAR is



exercised over the Conversion Price specified on the Grant Date, (ii) except as would not adversely affect the ability of the SSARs to be exempt from Section 409A, the Conversion Price for each SSAR can never be less than the Fair Market Value of a share of Common Stock on the Grant Date, and (iii) each SSAR does not include any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the SSAR. The provisions of this Agreement shall be interpreted in a manner consistent with this intention, and the provisions of this Agreement may not be amended, adjusted, assumed or substituted for, converted or otherwise modified without the Participant's prior written consent if and to the extent that the Company believes that such amendment, adjustment, assumption or substitution, conversion or modification would cause the award to violate the requirements of Section 409A. In the event that either the Company or the Participant believes, at any time, that any benefit or right under this Agreement is subject to Section 409A, and does not comply with the requirements of Section 409A, it shall promptly advise the other and the Company and the Participant shall negotiate reasonably and in good faith to amend the terms of such benefits and rights, if such an amendment may be made in a commercially reasonable manner, such that they comply with Section 409A with the most limited possible economic affect on the Participant and on the Company.

(b) Notwithstanding the foregoing, the Company does not make any representation to the Participant that the SSARs awarded pursuant to this Agreement are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any beneficiary for any tax, additional tax, interest or penalties that the Participant or any beneficiary may incur in the event that any provision of this Agreement, or any amendment or modification thereof, or any other action taken with respect thereto, that either is consented to by the Participant or that the Company reasonably believes should not result in a violation of Section 409A, is deemed to violate any of the requirements of Section 409A.

25. Stock Retention Policy. The Participant understands that the Committee has adopted a policy that requires the Participant to retain ownership of half (50%) of the shares of Common Stock acquired by Participant hereunder (net of the number of shares of Common Stock which would need to be sold to satisfy any applicable taxes owed upon conversion), for a period of three (3) years after issuance of such shares of Common Stock (or until the Participant's employment with, and services for, the Company and its Subsidiaries terminates, if earlier). The Participant agrees to comply with such policy, and any modifications thereof that may be adopted by the Committee from time to time. Notwithstanding the foregoing, such policy shall not apply following a Change of Control to any Common Stock acquired by the Participant hereunder.

26. Stock Ownership Policy. The Participant understands that the Committee has adopted a policy that requires the Participant to own a multiple of the Participant's base salary, determined by leadership level, in Common Stock. The Participant agrees to comply with such policy and any modifications thereof that may be adopted by the Committee from time to time. Notwithstanding the foregoing, such policy shall not apply following a Change of Control to any Common Stock acquired by the Participant hereunder.

***[Signature Page Follows]***

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the Grant Date.

**WORLD FUEL SERVICES CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PARTICIPANT**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_

**Performance Goal**

Subject to the terms and conditions set forth in this Agreement (of which this Schedule constitutes a part), the Participant will be eligible to earn a number of SSARs that is between [●]% and [●]% of the number of Target SSARs set forth in this Agreement, such number of earned SSARs shall be determined as set forth in this Schedule.

The Measurement Period is the three (3)-year period that begins on January 1, 20[●] and ends on December 31, 20[●].

The Performance Goal is based on the following performance criterion:

“**CAGR in EPS**” means the compound average annual rate of growth in cumulative EPS.

“**EPS**” means earnings per share calculated in accordance with generally accepted accounting principles, with such adjustments as may be determined by the Committee.

Achievement of the Performance Goal is measured based on the cumulative EPS at the end of the three (3)-year Measurement Period at the levels set forth in the table below.

**EPS for the Measurement Period**

	Less than \$[●]	At least \$[●] but less than \$[●]	At least \$[●] but less than \$[●]	At least \$[●] but less than \$[●]	\$[●] or more
Earned SSARs	0% of Target SSARs	[●]% of Target SSARs	[●]% of Target SSARs	[●]% of Target SSARs	[●]% of Target SSARs

The Company shall apply linear interpolation if the performance criterion achieved is between the levels specified in the table above.

## Exhibit 21.1

### SUBSIDIARIES OF REGISTRANT

<u>Company Name</u>	<u>Country</u>
Advance Petroleum, LLC	United States
AHT Services, LLC	United States
Air Petro Corp.	United States
Alta Fuels, LLC	United States
Alta Transportation, LLC	United States
Altitude Ventures Holding Inc.	United States
Amelia Holding AB	Sweden
Amsterdam Software B.V.	Netherlands
Ascent Aviation Group, Inc.	United States
Associated Petroleum Products, Inc.	United States
AVCARD Holding Company (BVI) Ltd.	British Virgin Islands
AVCARD Services (BVI), Ltd.	British Virgin Islands
Avinode Aktiebolag	Sweden
Avinode Group AB	Sweden
Avinode, Inc.	United States
Baseops International, Inc.	United States
Casa Petro, S.R.L.	Costa Rica
Chrome Club, Inc.	United States
Colt Aviation Holdings, LLC	United States
Colt International das Américas Serviços de Aviação Ltda.	Brazil
Colt International Europe SARL	Switzerland
Colt International, L.L.C.	United States
Colt Risk Management Services, LLC	United States
Ecuacentair Cia. Ltda.	Ecuador
Energie-Tankdienstgesellschaft Bremen mbH	Germany
Falmouth Oil Services Limited	United Kingdom
Falmouth Petroleum Limited	United Kingdom
Gib Oil Limited	Gibraltar
Hellenic Aviation Fuel Company S.A.	Greece
Henty Oil Limited	United Kingdom
Henty Shipping Services Limited	United Kingdom
Kinect Consulting, LLC	United States
Kinect Energy AS	Norway
Kinect Energy Denmark A/S	Denmark
Kinect Energy France Sarl	France
Kinect Energy Germany GmbH	Germany
Kinect Energy Green Services AS	Norway
Kinect Energy Hungary Kft	Hungary
Kinect Energy Markets AS	Norway
Kinect Energy Netherlands B.V.	Netherlands
Kinect Energy Pty Limited	Australia
Kinect Energy Spot AS	Norway
Kinect Energy Sweden AB	Sweden
Kinect Energy UK Limited	United Kingdom
Kinect Energy, Inc.	United States
LFO Holdings Limited	United Kingdom
Linton Fuel Oils Limited	United Kingdom
MH Aviation Services (Pty) Ltd.	South Africa

## SUBSIDIARIES OF REGISTRANT (CONTINUED)

<b><u>Company Name</u></b>	<b><u>Country</u></b>
Nature Port Reception Facilities Limited	Gibraltar
NCS Fuel IQ Limited	United Kingdom
NCS UK Holding Co. Limited	United Kingdom
NCS US, Inc.	United States
Nordic Camp Supply ApS	Denmark
Nordic Camp Supply B.V.	Netherlands
Nordic Camp Supply Estonia OÜ	Estonia
Norse Bunker AS	Norway
Oil Shipping (Bunkering) B.V.	Netherlands
Oil Shipping Korea Limited	Republic of Korea
Orchard (Holdings) UK Limited	United Kingdom
Orchard Energy Limited	United Kingdom
PAPCO, Inc.	United States
PAX Distribution, LLC	United States
PayNode AB	Sweden
Petro Air, Corp.	United States
Petromundo Internacional, S.R.L.	Costa Rica
PetroServicios de Costa Rica, S.R.L.	Costa Rica
PT Oil Shipping Trans Indonesia	Indonesia
PT Servicios de Guatemala, Limitada	Guatemala
Redline Oil Services Limited	United Kingdom
Resource Recovery of America, Inc.	United States
Schedaero AB	Sweden
SchedAero, Inc.	United States
Servicios Auxiliares de México, S. de R.L. de C.V.	Mexico
Servicios de Combustible Atlanticos, S.R.L.	Costa Rica
Servicios Ecuatorianos de Energia-Secsa CIA. LTDA	Ecuador
Servicios WFSE Ecuador C.L.	Ecuador
Tamlyn Shipping Limited	United Kingdom
Tank and Marine Engineering Limited	United Kingdom
The Hiller Group Incorporated	United States
The Lubricant Company Limited	United Kingdom
Tobras Distribuidora de Combustíveis Ltda.	Brazil
Tramp Group Limited	United Kingdom
Tramp Holdings Limited	United Kingdom
Tramp Oil & Marine (Argentina) S.R.L.	Argentina
Tramp Oil & Marine (Chile) Limitada	Chile
Tramp Oil & Marine Limited	United Kingdom
Tramp Oil (Brasil) Ltda.	Brazil
Tramp Oil Germany GmbH	Germany
Tramp Oil-Schiffahrts-und Handelsgesellschaft mbH & Co.	Germany
Trans-Tec Mundial S.R.L.	Costa Rica
U.S. Energy Engineering, Inc.	United States
UVAIR European Fuelling Services Limited	Ireland
Western Aviation Products LLC	United States
Western Petroleum Company	United States
WF Lubricants S.L.	Spain
WFL (UK) II Limited	United Kingdom
WFL (UK) Limited	United Kingdom
WFL Mozambique, LDA	Mozambique
WFS & J Company Limited	Japan

## SUBSIDIARIES OF REGISTRANT (CONTINUED)

<u>Company Name</u>	<u>Country</u>
WFS (Guam) Limited	Guam
WFS Agencia de Naves, Limitada	Chile
WFS Commercial Consulting (Shanghai) Co., Ltd.	China
WFS Danish Holding Company I ApS	Denmark
WFS Danish Holding Partnership K/S	Denmark
WFS UK Holding Company II Limited	United Kingdom
WFS UK Holding Company III Limited	United Kingdom
WFS UK Holding Company IV Limited	United Kingdom
WFS UK Holding Partnership II LP	United Kingdom
WFS UK Holding Partnership III LP	United Kingdom
WFS UK Holding Partnership LP	United Kingdom
WFS US Holding Company I LLC	United States
WFS US Holding Company II LLC	United States
WFS US Holding Company III LLC	United States
WFS US Holding Company IV, LLC	United States
WFS US Holding Company IX, LLC	United States
WFS US Holding Company V, LLC	United States
WFS US Holding Company VII, LLC	United States
WFS US Holding Company VIII, LLC	United States
WFS US Holding Company X, LLC	United States
World Fuel Capital Limited	United Kingdom
World Fuel Cayman Holding Company I	Cayman Islands
World Fuel Cayman Holding Company III	Cayman Islands
World Fuel Cayman Holding Company IV	Cayman Islands
World Fuel Cayman Holding Company V	Cayman Islands
World Fuel Commodities Services (Ireland) Limited	Ireland
World Fuel CX LLC	United States
World Fuel Gas and Power Limited	United Kingdom
World Fuel PG Trading Limited	United Kingdom
World Fuel Services (Australia) Pty Ltd	Australia
World Fuel Services (Bahamas) LLC	Bahamas
World Fuel Services (Costa Rica) Limitada	Costa Rica
World Fuel Services (Denmark) ApS	Denmark
World Fuel Services (Hong Kong) Limited	Hong Kong
World Fuel Services (KG) LLC	Kyrgyzstan
World Fuel Services (New Zealand) Limited	New Zealand
World Fuel Services (Panama) Limited Liability Company, Sociedad De Responsabilidad Limitada	Panama
World Fuel Services (Singapore) II Pte. Ltd.	Singapore
World Fuel Services (Singapore) Pte Ltd	Singapore
World Fuel Services (South Africa) (Pty) Ltd	South Africa
World Fuel Services (Taiwan) Limited	Taiwan
World Fuel Services (Uruguay) S.A.	Uruguay
World Fuel Services Argentina S.R.L.	Argentina
World Fuel Services Aviation Limited	United Kingdom
World Fuel Services Belgium BVBA	Belgium
World Fuel Services Canada, ULC	Canada
World Fuel Services Chile, Limitada	Chile
World Fuel Services Company, LLC	United States
World Fuel Services Corporate Aviation Support Services, Inc.	United States
World Fuel Services CZ s.r.o.	Czech Republic

## **SUBSIDIARIES OF REGISTRANT (CONTINUED)**

### **Company Name**

World Fuel Services Europe, Ltd.  
World Fuel Services European Holding Company I, Ltd.  
World Fuel Services Finance Company S.à.r.L.  
World Fuel Services France SAS  
World Fuel Services International (Panama) LLC  
World Fuel Services Italy S.r.L.  
World Fuel Services Japan G.K.  
World Fuel Services Kenya Limited  
World Fuel Services México, S. de R.L. de C.V.  
World Fuel Services Pakistan (Pvt.) Limited  
World Fuel Services Peru S.R.L.  
World Fuel Services Private Limited  
World Fuel Services Regulatory Holdings, LLC  
World Fuel Services Trading DMCC  
World Fuel Services Turkey Petrol Urunleri Dagitim Ve Ticaret Limited Sirketi  
World Fuel Services, Inc.  
World Fuel Singapore Holding Company I Pte Ltd  
World Fuel Singapore Holding Company II Pte Ltd  
Yacht Fuel Services Limited

### **Country**

United Kingdom  
United Kingdom  
Luxembourg  
France  
Panama  
Italy  
Japan  
Kenya  
Mexico  
Pakistan  
Peru  
India  
United States  
United Arab Emirates  
Turkey  
United States  
Singapore  
Singapore  
United Kingdom

Exhibit 23.1

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-242250, No. 333-212927, No. 333-161099, No. 333-144379, No. 333-130528 and No. 333-68276) of World Fuel Services Corporation of our report dated February 26, 2021 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Miami, Florida  
February 26, 2021



**Certification of the Chief Executive Officer**  
**Pursuant to**  
**Rule 13a-14(a) or 15d — 14(a)**

I, Michael J. Kasbar, certify that:

1. I have reviewed this Annual Report on Form 10-K of World Fuel Services Corporation for the period ended December 31, 2020;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

/s/ Michael J. Kasbar

Michael J. Kasbar

Chairman, President and Chief Executive Officer

**Certification of the Chief Financial Officer**  
**Pursuant to**  
**Rule 13a-14(a) or 15d — 14(a)**

I, Ira M. Birns, certify that:

1. I have reviewed this Annual Report on Form 10-K of World Fuel Services Corporation for the period ended December 31, 2020;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

/s/ Ira M. Birns

Ira M. Birns

Executive Vice President and Chief Financial Officer

**Certification of Chief Executive Officer and Chief Financial Officer  
under Section 906 of the Sarbanes-Oxley Act of 2002  
(18 U.S.C. § 1350)**

We, Michael J. Kasbar, the Chairman, President and Chief Executive Officer of World Fuel Services Corporation (the "Company"), and Ira M. Birns, the Executive Vice President and Chief Financial Officer of the Company, certify for the purposes of Section 1350 of Chapter 63 of Title 18 of the United States Code that, to the best of our knowledge,

- i. the Annual Report on Form 10-K of the Company for the period ended December 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- ii. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2021

/s/ Michael J. Kasbar

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Michael J. Kasbar

Chairman, President and Chief Executive Officer

/s/ Ira M. Birns

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Ira M. Birns

Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

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