
World Fuel Services Corporation

2016 First Quarter Earnings Call

April 28, 2016



Caution Concerning Forward Looking Statements

Certain statements made today, including comments about World Fuel's expectations regarding future plans, performance and acquisitions are forward-looking statements that are subject to a range of uncertainties and risks that could cause World Fuel's actual results to materially differ from the forward-looking information. A description of the risk factors that could cause results to materially differ from these projections can be found in World Fuel's Form 10-K for the year ended December 31, 2015 and other reports filed with the Securities and Exchange Commission. World Fuel assumes no obligation to revise or publicly release the results of any revisions to these forward-looking statements in light of new information or future events.

This presentation includes certain non-GAAP financial measures, as defined in Regulation G. A reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures is included in World Fuel's press release and can be found on its website.



Michael Kasbar

Chairman and Chief Executive Officer



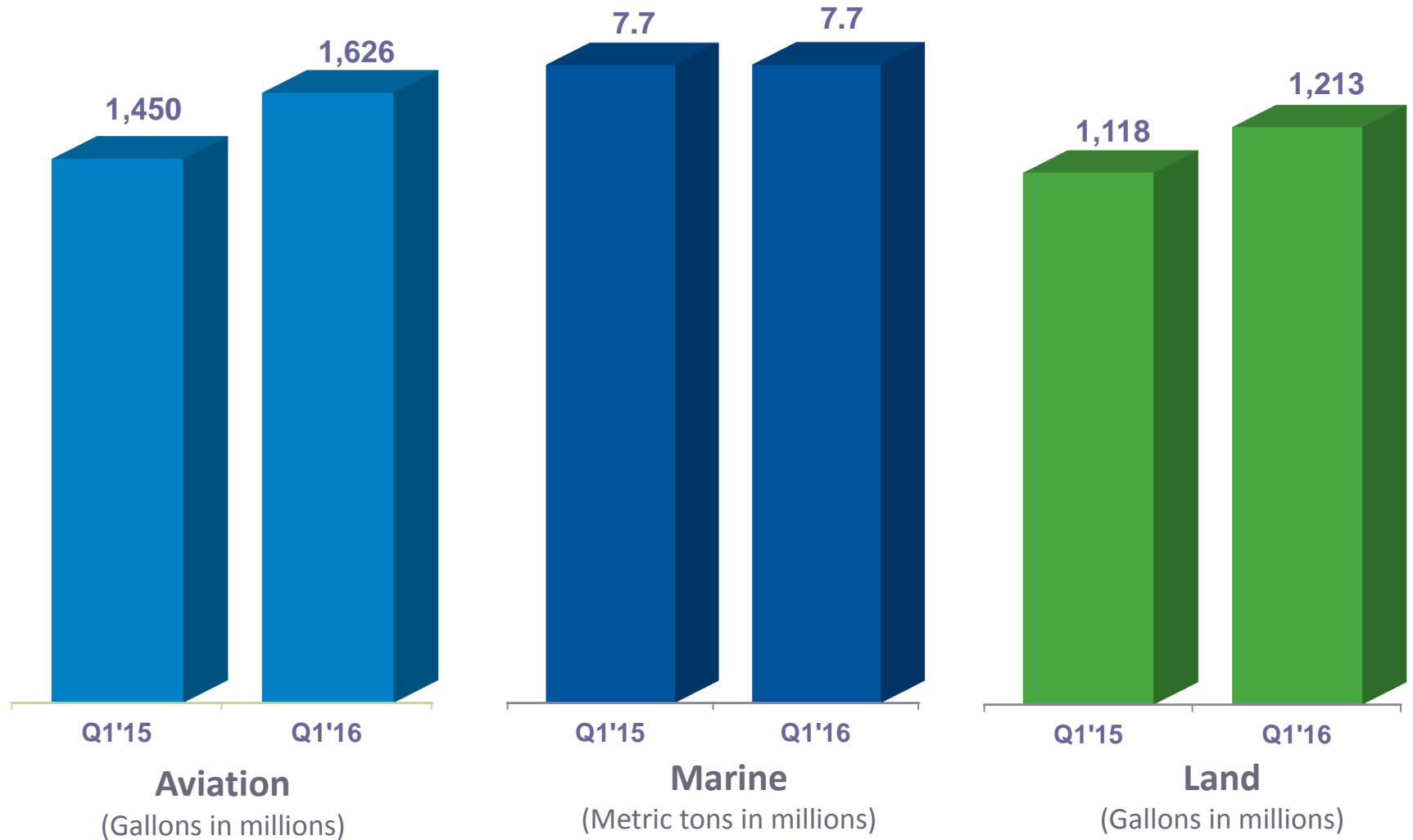
- **First quarter adjusted net income of \$54 million or \$0.77 adjusted diluted earnings per share**
- **Generated \$139 million of operating cash flow**
 - Maintaining ample liquidity to fund organic growth and strategic investments
- **Aviation segment sold 1.6 billion gallons**
 - Volume growth of 12% compared to the first quarter of 2015
 - Core resale business posted solid gains in North America and EMEA
 - US and foreign military related-activity operations performed well
- **Marine segment volume remained flat compared to last year**
 - Continued period of low fuel prices and depressed shipping rates
 - Prevailing sentiment for low fuel prices continue to suppress demand for PRISM products
 - We continue to support our customers by remaining a reliable counterparty
- **Land segment volume increased 9%**
 - Retail and natural gas businesses performed well
 - Historically warmer weather negatively impacted UK business



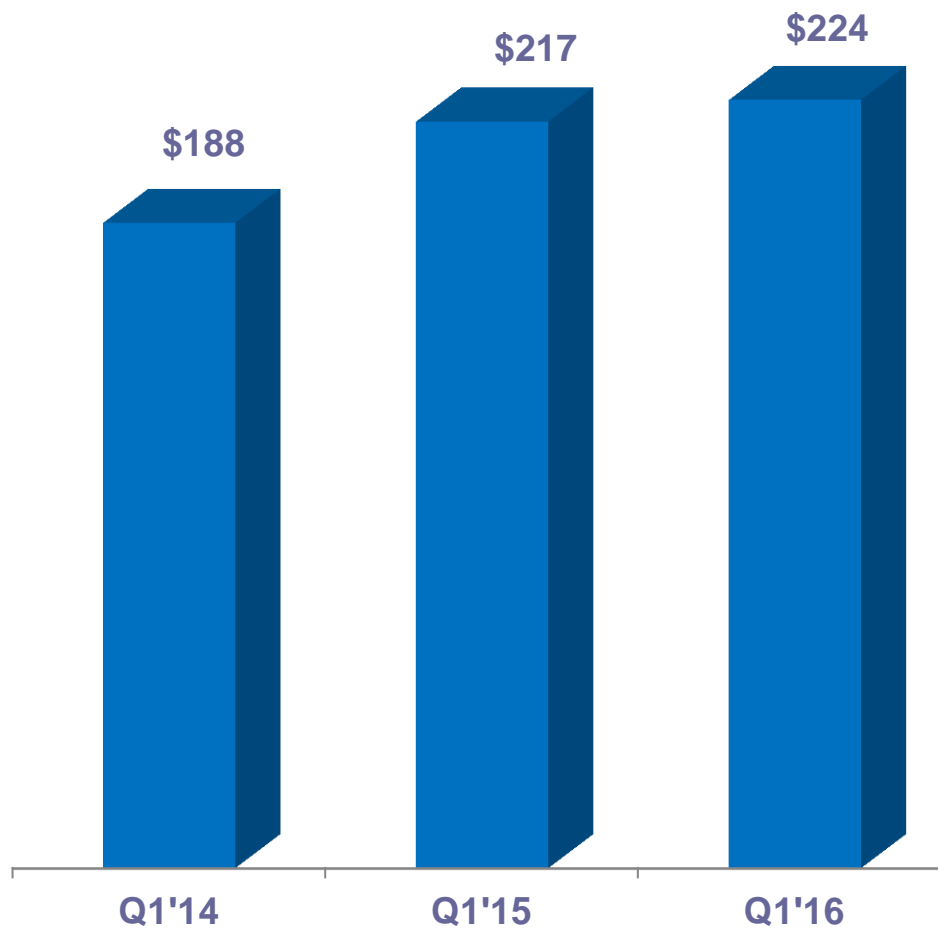
Ira Birns

Executive Vice President and
Chief Financial Officer

Volume by Segment



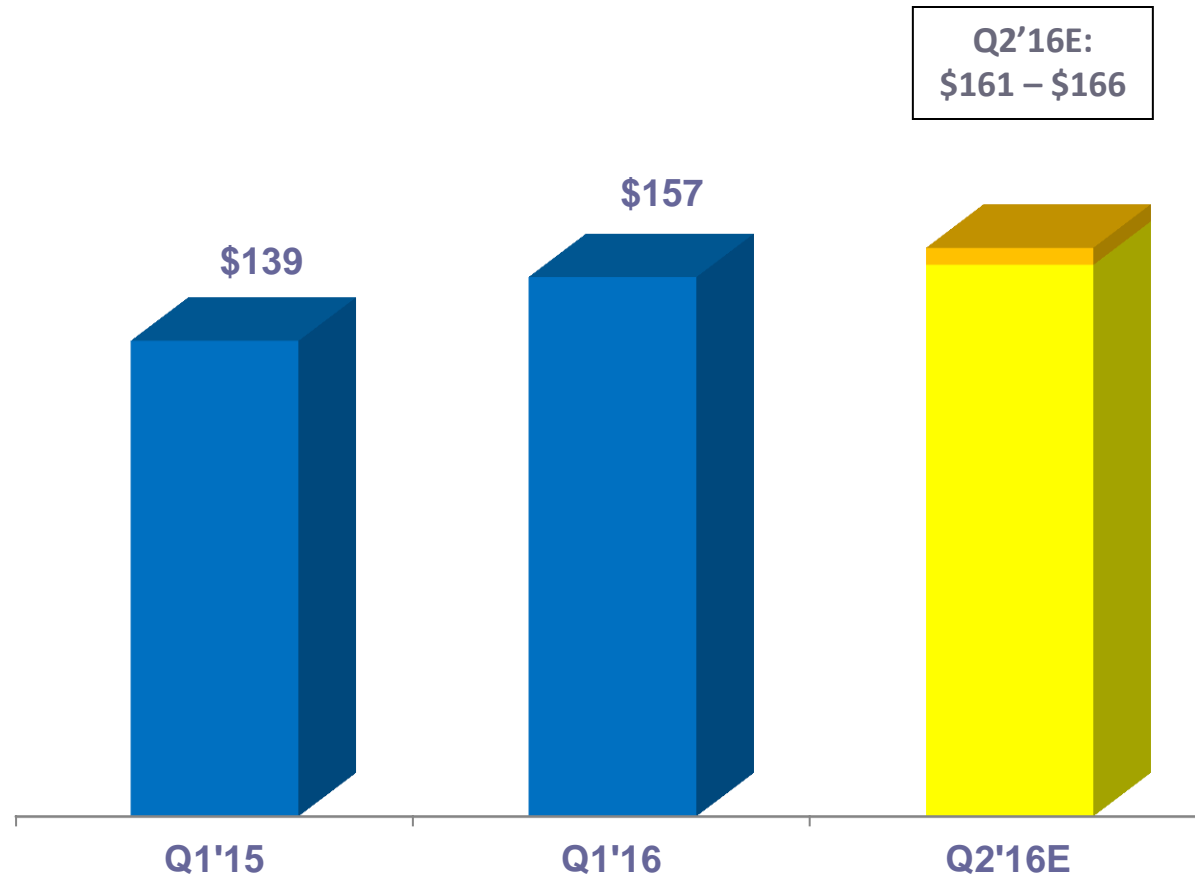
Consolidated Gross Profit (\$ in millions)



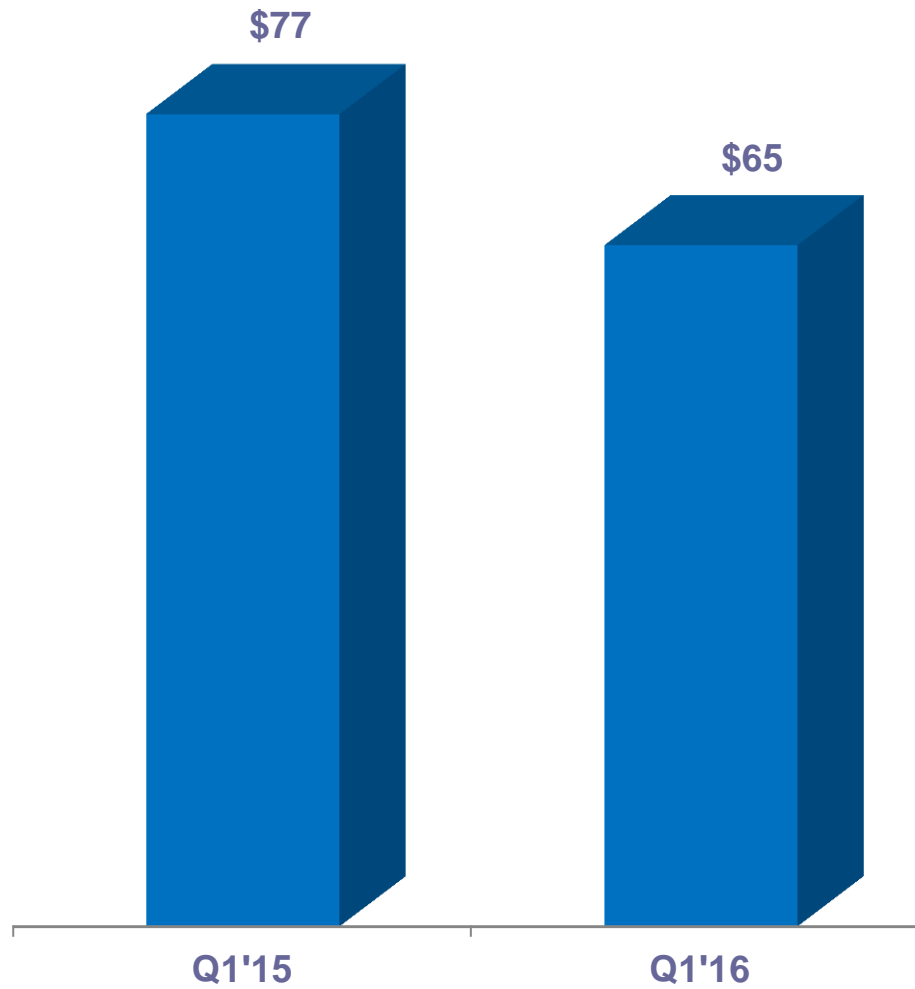
Gross Profit by Segment (\$ in millions)



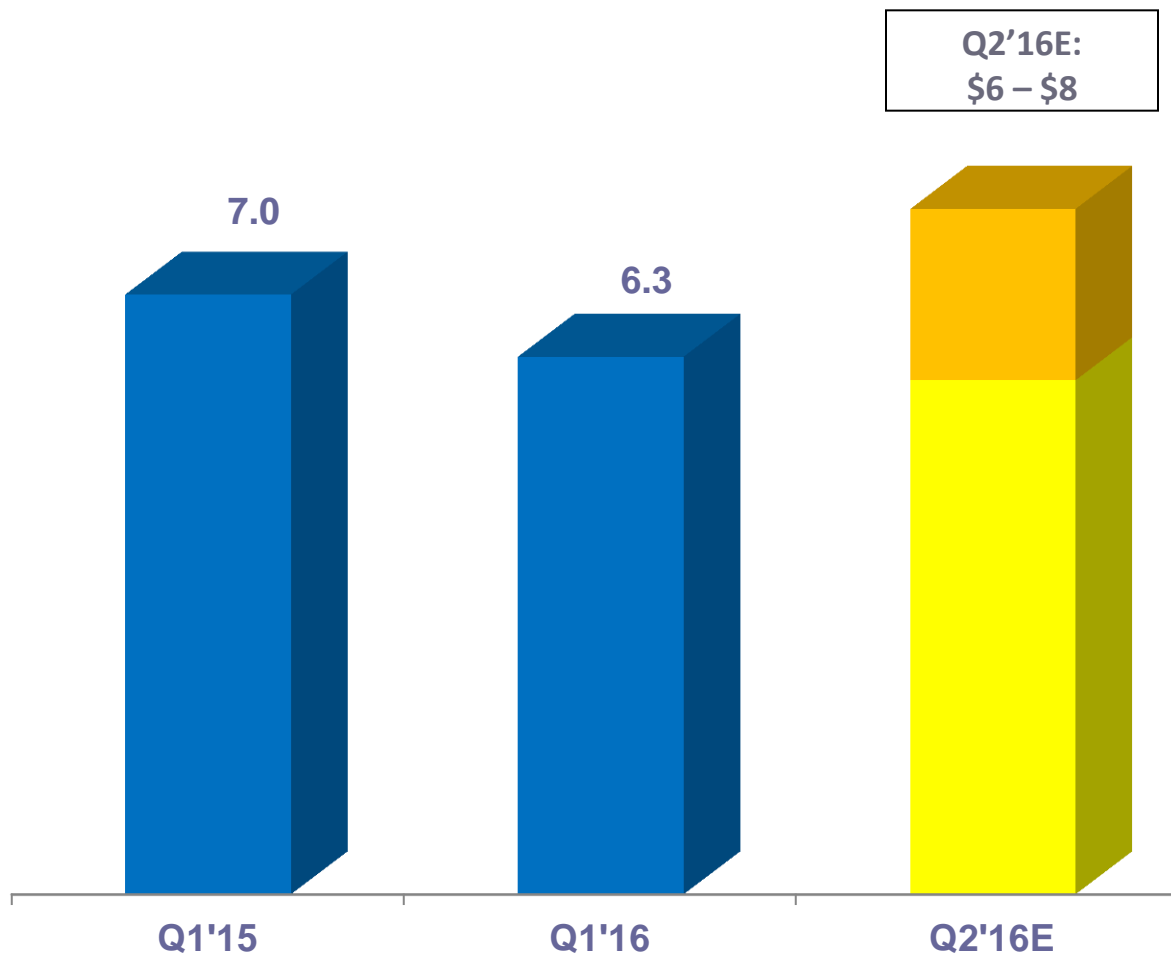
Consolidated Operating Expenses (excluding bad debt provision) (\$ in millions)



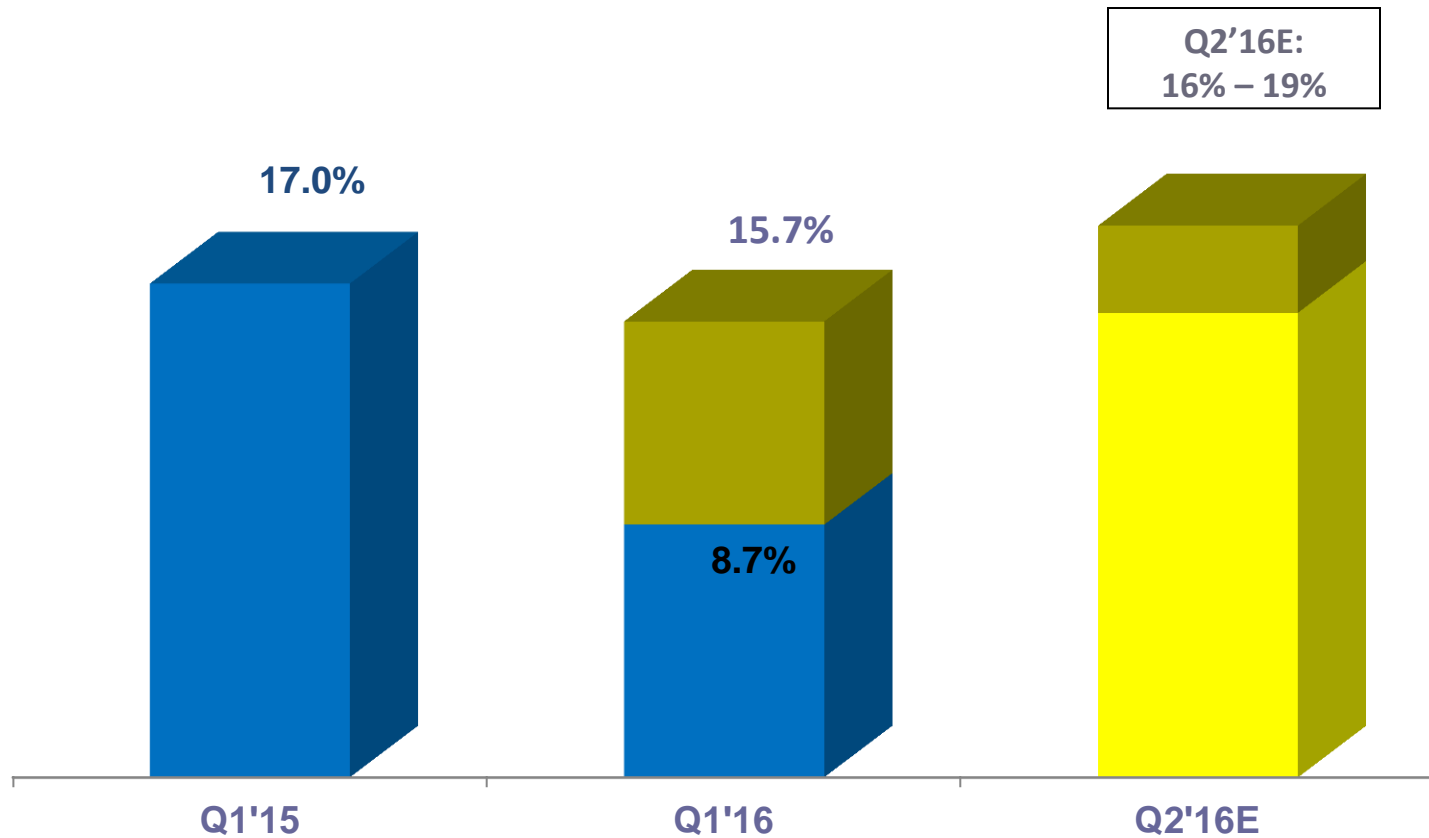
Consolidated Income from Operations (\$ in millions)



Non-Operating Expense (\$ in millions)



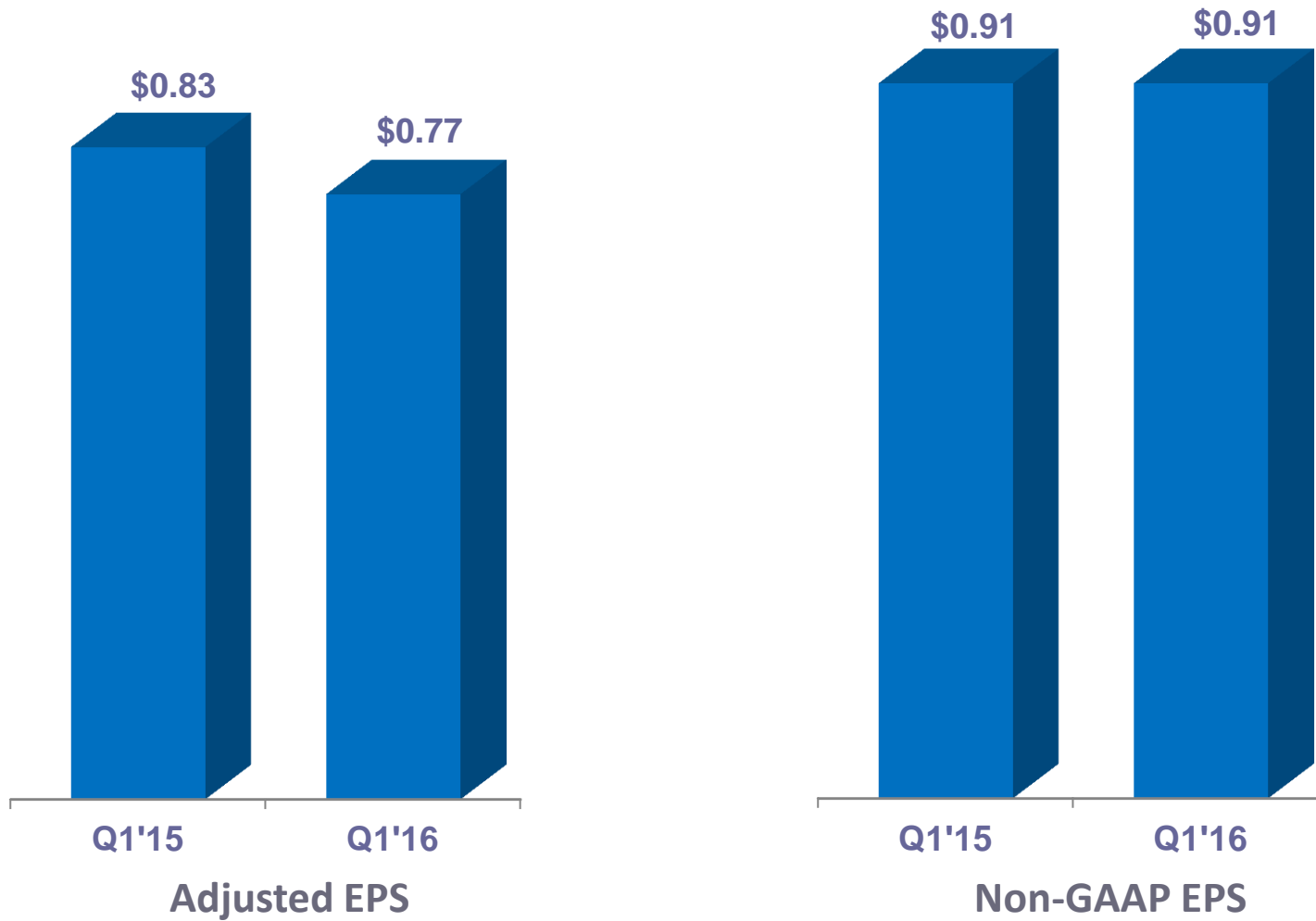
Effective Tax Rate



Net Income (\$ in millions)



Diluted Earnings Per Share





- **Total accounts receivable was \$1.7 billion at quarter end**
 - Down more than \$500 million year-over-year

- **Net working capital was \$850 million**
 - Net working capital declined \$40 million year-over-year
 - Return on working capital was 31% for the quarter

- **Generated \$139 million of operating cash flow during quarter**
 - Positive operating cash flow for the past fifteen consecutive quarters
 - Net debt reduced to just over \$100 million
 - Return on invested capital improving



- **We delivered solid results despite continued headwinds in certain markets**
- **We continue to consistently generate operating cash flow, driving an improved return on invested capital**
- **Allowing us to continue to invest in organic growth initiatives and strategic M&A**



Questions & Answers

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



	<u>Q1 2015</u>	<u>Q1 2016</u>
Revenue, as reported	\$ 7,340.7	\$ 5,192.6
Deferred revenue purchase accounting adjustment	2.1	-
Revenue, as adjusted	<u>\$ 7,342.7</u>	<u>\$ 5,192.6</u>
Gross profit, as reported	\$ 215.4	\$ 223.8
Deferred revenue purchase accounting adjustment	2.1	-
Gross profit, as adjusted	<u>\$ 217.5</u>	<u>\$ 223.8</u>
Operating expenses, as reported	\$ 143.9	\$ 160.5
Expenses related to the acquisitions and other non-recurring charges	-	(1.5)
Termination of employment	(3.8)	-
Operating expenses, as adjusted	<u>\$ 140.1</u>	<u>\$ 159.0</u>
Operating income, as reported	\$ 71.5	\$ 63.3
Expenses related to the acquisitions and other non-recurring charges	-	1.5
Deferred revenue purchase accounting adjustment	2.1	-
Termination of employment	3.8	-
Operating income, as adjusted	<u>\$ 77.4</u>	<u>\$ 64.8</u>
Income before tax, as reported	\$ 64.5	\$ 57.1
Expenses related to the acquisitions and other non-recurring charges	-	1.5
Deferred revenue purchase accounting adjustment	2.1	-
Termination of employment	3.8	-
Income before tax, as adjusted	<u>\$ 70.4</u>	<u>\$ 58.6</u>

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



	<u>Q1 2015</u>	<u>Q1 2016</u>
Provision for income taxes, as reported	\$ 9.9	\$ 4.8
Expenses related to the acquisitions and other non-recurring charges	-	0.3
Deferred revenue purchase accounting adjustment	0.5	-
Termination of employment	1.5	-
Provision for income taxes, as adjusted	<u>\$ 11.9</u>	<u>\$ 5.1</u>
Minority interest , as reported	\$ (1.0)	\$ (0.1)
Deferred revenue purchase accounting adjustment	0.5	-
Minority interest, as adjusted	<u>\$ (0.5)</u>	<u>\$ (0.1)</u>
Net income , as reported	\$ 55.6	\$ 52.4
Expenses related to the acquisitions and other non-recurring charges	-	1.2
Deferred revenue purchase accounting adjustment	1.1	-
Termination of employment	2.3	-
Net income, as adjusted	<u>\$ 59.0</u>	<u>\$ 53.6</u>
Diluted earnings per common share, as reported	\$ 0.78	\$ 0.75
Expenses related to the acquisitions and other non-recurring charges	\$ -	\$ 0.02
Deferred revenue purchase accounting adjustment	\$ 0.02	\$ -
Termination of employment	\$ 0.03	\$ -
Diluted earnings per common share, as adjusted	<u>\$ 0.83</u>	<u>\$ 0.77</u>