

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

## FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

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)

**59-2459427**

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

Registrant's telephone number, including area code:

**( 305 ) 428-8000**

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

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**

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 (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 the 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The registrant had a total of 61,919,076 shares of common stock, par value \$0.01 per share, issued and outstanding as of October 21, 2022.

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**Part I — Financial Information**

**Item 1. Financial Statements**

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

(Unaudited - In millions, except per share data)

|  | September 30, 2022 | December 31, 2021 |
|--|--------------------|-------------------|
| <b>Assets:</b>   |                    |                   |
| Current assets:  |                    |                   |
| Cash and cash equivalents  | \$ 280.3           | \$ 652.2          |
| Accounts receivable, net of allowance for credit losses of \$14.3 million and \$26.1 million as of September 30, 2022 and December 31, 2021, respectively  | 3,172.9            | 2,355.3           |
| Inventories  | 727.5              | 477.9             |
| Prepaid expenses   | 85.9               | 59.2              |
| Short-term derivative assets, net  | 324.6              | 169.2             |
| Other current assets   | 458.2              | 305.9             |
| <b>Total current assets</b>  | <b>5,049.3</b>     | <b>4,019.7</b>    |
| Property and equipment, net  | 475.3              | 348.9             |
| Goodwill   | 1,221.1            | 861.9             |
| Identifiable intangible assets, net  | 345.0              | 189.1             |
| Other non-current assets   | 879.5              | 522.8             |
| <b>Total assets</b>  | <b>\$ 7,970.3</b>  | <b>\$ 5,942.4</b> |
| <b>Liabilities:</b>  |                    |                   |
| Current liabilities:   |                    |                   |
| Current maturities of long-term debt   | \$ 15.7            | \$ 30.6           |
| Accounts payable   | 3,237.9            | 2,399.6           |
| Short-term derivative liabilities, net   | 523.7              | 168.4             |
| Customer deposits  | 321.8              | 205.5             |
| Accrued expenses and other current liabilities   | 469.2              | 292.7             |
| <b>Total current liabilities</b>   | <b>4,568.3</b>     | <b>3,096.7</b>    |
| Long-term debt   | 693.6              | 478.1             |
| Non-current income tax liabilities, net  | 205.5              | 213.9             |
| Other long-term liabilities  | 557.3              | 236.8             |
| <b>Total liabilities</b>   | <b>6,024.7</b>     | <b>4,025.6</b>    |
| <b>Equity:</b>   |                    |                   |
| World Fuel shareholders' equity:   |                    |                   |
| Preferred stock, \$1.00 par value; 0.1 shares authorized, none issued  | —                  | —                 |
| Common stock, \$0.01 par value; 100.0 shares authorized, 61.9 and 61.7 issued and outstanding as of September 30, 2022 and December 31, 2021, respectively | 0.6                | 0.6               |
| Capital in excess of par value   | 180.1              | 168.1             |
| Retained earnings  | 1,950.2            | 1,880.6           |
| Accumulated other comprehensive income (loss)  | (191.2)            | (136.7)           |
| <b>Total World Fuel shareholders' equity</b>   | <b>1,939.7</b>     | <b>1,912.7</b>    |
| Noncontrolling interest  | 5.9                | 4.1               |
| <b>Total equity</b>  | <b>1,945.6</b>     | <b>1,916.8</b>    |
| <b>Total liabilities and equity</b>  | <b>\$ 7,970.3</b>  | <b>\$ 5,942.4</b> |

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

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

(Unaudited – In millions, except per share data)

|   | For the Three Months Ended<br>September 30, |            | For the Nine Months Ended<br>September 30, |             |
|---|---|------------|--|-------------|
|   | 2022  | 2021       | 2022                                       | 2021        |
| Revenue   | \$ 15,661.3                                 | \$ 8,350.9 | \$ 45,165.4                                | \$ 21,394.2 |
| Cost of revenue   | 15,339.0                                    | 8,153.4    | 44,358.7                                   | 20,821.3    |
| Gross profit  | 322.3                                       | 197.5      | 806.7                                      | 573.0       |
| Operating expenses:   |   |            |  |             |
| Compensation and employee benefits  | 141.1                                       | 93.5       | 374.3                                      | 273.9       |
| General and administrative  | 81.7  | 60.6       | 238.8                                      | 177.4       |
| Asset impairments   | —   | —          | —  | 4.7         |
| Restructuring charges   | (0.8)                                       | 1.7        | (0.8)                                      | 6.8         |
| Total operating expenses  | 222.0                                       | 155.8      | 612.3                                      | 462.7       |
| Income from operations  | 100.3                                       | 41.7       | 194.4                                      | 110.2       |
| Non-operating income (expenses), net:   |   |            |  |             |
| Interest expense and other financing costs, net   | (34.0)                                      | (10.4)     | (74.8)                                     | (29.2)      |
| Other income (expense), net   | (3.5)                                       | 1.0        | (1.9)                                      | (1.6)       |
| Total non-operating income (expense), net   | (37.5)                                      | (9.4)      | (76.7)                                     | (30.7)      |
| Income (loss) before income taxes   | 62.8  | 32.3       | 117.7                                      | 79.5        |
| Provision for income taxes  | 18.9  | 10.0       | 22.7                                       | 20.8        |
| Net income (loss) including noncontrolling interest   | 43.9  | 22.3       | 95.0                                       | 58.7        |
| Net income (loss) attributable to noncontrolling interest   | 1.4   | 0.6        | 1.8  | 0.5         |
| Net income (loss) attributable to World Fuel  | \$ 42.5                                     | \$ 21.7    | \$ 93.2                                    | \$ 58.2     |
| Basic earnings (loss) per common share  | \$ 0.69                                     | \$ 0.34    | \$ 1.49                                    | \$ 0.92     |
| Basic weighted average common shares  | 62.0  | 63.0       | 62.5                                       | 63.1        |
| Diluted earnings (loss) per common share  | \$ 0.68                                     | \$ 0.34    | \$ 1.48                                    | \$ 0.92     |
| Diluted weighted average common shares  | 62.3  | 63.3       | 62.8                                       | 63.6        |
| Comprehensive income:   |   |            |  |             |
| Net income (loss) including noncontrolling interest   | \$ 43.9                                     | \$ 22.3    | \$ 95.0                                    | \$ 58.7     |
| Other comprehensive income (loss):  |   |            |  |             |
| Foreign currency translation adjustments  | (32.4)                                      | (11.3)     | (77.5)                                     | (10.6)      |
| Cash flow hedges, net of income tax expense (benefit) of \$5.5 and (\$2.8) for the three months ended September 30, 2022 and 2021, respectively, and net of income tax expense (benefit) of \$8.3 and (\$0.2) for the nine months ended September 30, 2022 and 2021, respectively | 15.1  | (8.2)      | 22.9                                       | (0.5)       |
| Total other comprehensive income (loss)   | (17.2)                                      | (19.5)     | (54.6)                                     | (11.0)      |
| Comprehensive income (loss) including noncontrolling interest   | 26.7  | 2.8        | 40.4                                       | 47.7        |
| Comprehensive income (loss) attributable to noncontrolling interest   | 1.4   | 0.6        | 1.8  | 0.5         |
| Comprehensive income (loss) attributable to World Fuel  | \$ 25.3                                     | \$ 2.2     | \$ 38.6                                    | \$ 47.2     |

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

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

(Unaudited - In millions)

|   | Common Stock |        | Capital in Excess of Par Value | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total World Fuel Shareholders' Equity | Noncontrolling Interest Equity | Total Equity |
|---|--------------|--------|--------------------------------|-------------------|---|---------------------------------------|--------------------------------|--------------|
|   | Shares       | Amount |                                |                   |   |                                       |                                |              |
| Balance as of December 31, 2021   | 61.7         | \$ 0.6 | \$ 168.1                       | \$ 1,880.6        | \$ (136.7)                                    | \$ 1,912.7                            | \$ 4.1                         | \$ 1,916.8   |
| Net income (loss)   | —            | —      | —                              | 26.3              | —   | 26.3                                  | (0.1)                          | 26.3         |
| Cash dividends declared   | —            | —      | —                              | (7.6)             | —   | (7.6)                                 | —                              | (7.6)        |
| Amortization of share-based payment awards  | —            | —      | 3.7                            | —                 | —   | 3.7                                   | —                              | 3.7          |
| Issuance (cancellation) of common stock related to share-based payment awards   | 0.1          | —      | —                              | —                 | —   | —                                     | —                              | —            |
| Issuance of common stock for acquisition of a business  | 1.8          | —      | 50.0                           | —                 | —   | 50.0                                  | —                              | 50.0         |
| Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards | —            | —      | (1.3)                          | —                 | —   | (1.3)                                 | —                              | (1.3)        |
| Purchases of common stock   | (0.5)        | —      | (13.7)                         | —                 | —   | (13.7)                                | —                              | (13.7)       |
| Other comprehensive income (loss)   | —            | —      | —                              | —                 | (28.7)  | (28.7)                                | —                              | (28.7)       |
| Balance as of March 31, 2022  | 63.0         | 0.6    | 206.7                          | 1,899.4           | (165.4)                                       | 1,941.4                               | 4.1                            | 1,945.5      |
| Net income (loss)   | —            | —      | —                              | 24.4              | —   | 24.4                                  | 0.4                            | 24.8         |
| Cash dividends declared   | —            | —      | —                              | (7.4)             | —   | (7.4)                                 | —                              | (7.4)        |
| Amortization of share-based payment awards  | —            | —      | 3.1                            | —                 | —   | 3.1                                   | —                              | 3.1          |
| 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 | 0.2          | —      | (2.0)                          | —                 | —   | (2.0)                                 | —                              | (2.0)        |
| Purchases of common stock   | (1.5)        | —      | (35.0)                         | —                 | —   | (35.0)                                | —                              | (35.0)       |
| Other comprehensive income (loss)   | —            | —      | —                              | —                 | (8.7)   | (8.7)                                 | —                              | (8.7)        |
| Balance as of June 30, 2022   | 61.9         | \$ 0.6 | \$ 172.8                       | \$ 1,916.4        | \$ (174.0)                                    | \$ 1,915.7                            | \$ 4.5                         | \$ 1,920.2   |
| Net income (loss)   | —            | —      | —                              | 42.5              | —   | 42.5                                  | 1.4                            | 43.9         |
| Cash dividends declared   | —            | —      | —                              | (8.6)             | —   | (8.6)                                 | —                              | (8.6)        |
| Amortization of share-based payment awards  | —            | —      | 7.3                            | —                 | —   | 7.3                                   | —                              | 7.3          |
| Other comprehensive income (loss)   | —            | —      | —                              | —                 | (17.2)  | (17.2)                                | —                              | (17.2)       |
| Balance as of September 30, 2022  | 61.9         | \$ 0.6 | \$ 180.1                       | \$ 1,950.2        | \$ (191.2)                                    | \$ 1,939.7                            | \$ 5.9                         | \$ 1,945.6   |

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

|   | Common Stock |        | Capital in Excess of Par Value | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total World Fuel Shareholders' Equity | Noncontrolling Interest Equity | Total Equity |
|---|--------------|--------|--------------------------------|-------------------|---|---------------------------------------|--------------------------------|--------------|
|   | Shares       | Amount |                                |                   |   |                                       |                                |              |
| 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   |
| Net income (loss)   | —            | —      | —                              | 18.9              | —   | 18.9                                  | —                              | 18.8         |
| Cash dividends declared   | —            | —      | —                              | (7.5)             | —   | (7.5)                                 | —                              | (7.5)        |
| Amortization of share-based payment awards  | —            | —      | 8.7                            | —                 | —   | 8.7                                   | —                              | 8.7          |
| Issuance (cancellation) of common stock related to share-based payment awards   | 0.1          | —      | —                              | —                 | —   | —                                     | —                              | —            |
| Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards | —            | —      | (2.4)                          | —                 | —   | (2.4)                                 | —                              | (2.4)        |
| Other comprehensive income (loss)   | —            | —      | —                              | —                 | 12.4  | 12.4                                  | —                              | 12.4         |
| Other   | —            | —      | —                              | 0.2               | —   | 0.2                                   | —                              | 0.2          |
| Balance as of March 31, 2021  | 63.0         | 0.6    | 210.8                          | 1,848.3           | (120.3)                                       | 1,939.5                               | 3.5                            | 1,943.0      |
| Net income (loss)   | —            | —      | —                              | 17.6              | —   | 17.6                                  | (0.1)                          | 17.6         |
| Cash dividends declared   | —            | —      | —                              | (7.6)             | —   | (7.6)                                 | —                              | (7.6)        |
| Amortization of share-based payment awards  | —            | —      | 3.3                            | —                 | —   | 3.3                                   | —                              | 3.3          |
| Issuance (cancellation) of common stock related to share-based payment awards   | 0.3          | —      | 0.2                            | —                 | —   | 0.3                                   | —                              | 0.3          |
| 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)        |
| Other comprehensive income (loss)   | —            | —      | —                              | —                 | (3.8)   | (3.8)                                 | —                              | (3.8)        |
| Balance as of June 30, 2021   | 63.3         | \$ 0.6 | \$ 211.3                       | \$ 1,858.4        | \$ (124.1)                                    | \$ 1,946.2                            | \$ 3.5                         | \$ 1,949.7   |
| Net income (loss)   | —            | —      | —                              | 21.7              | —   | 21.7                                  | 0.6                            | 22.3         |
| Cash dividends declared   | —            | —      | —                              | (7.5)             | —   | (7.5)                                 | —                              | (7.5)        |
| Amortization of share-based payment awards  | —            | —      | 3.3                            | —                 | —   | 3.3                                   | —                              | 3.3          |
| Purchases of common stock tendered by employees to satisfy the required withholding taxes related to share-based payment awards | —            | —      | (0.1)                          | —                 | —   | (0.1)                                 | —                              | (0.1)        |
| Purchases of common stock   | (0.8)        | —      | (24.4)                         | —                 | —   | (24.4)                                | —                              | (24.4)       |
| Other comprehensive income (loss)   | —            | —      | —                              | —                 | (19.5)  | (19.5)                                | —                              | (19.5)       |
| Balance as of September 30, 2021  | 62.6         | \$ 0.6 | \$ 190.2                       | \$ 1,872.6        | \$ (143.6)                                    | \$ 1,919.7                            | \$ 4.1                         | \$ 1,923.8   |

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

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

(Unaudited - In millions)

|   | For the Nine Months Ended September 30, |          |
|---|---|----------|
|   | 2022                                    | 2021     |
| Cash flows from operating activities:   |   |          |
| Net income (loss) including noncontrolling interest   | \$ 95.0                                 | \$ 58.7  |
| Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities: |   |          |
| Depreciation and amortization   | 80.1                                    | 60.2     |
| Provision for credit losses   | 6.1                                     | 2.8      |
| Share-based payment award compensation costs  | 14.0                                    | 15.4     |
| Deferred income tax expense (benefit)   | (8.0)                                   | (18.1)   |
| Foreign currency (gains) losses, net  | 15.7                                    | (10.6)   |
| Loss (gain) on sale of business   | —                                       | 1.7      |
| Other   | 88.4                                    | 16.5     |
| Changes in assets and liabilities, net of acquisitions and divestitures:  |   |          |
| Accounts receivable, net  | (798.6)                                 | (807.9)  |
| Inventories   | (207.1)                                 | (92.5)   |
| Prepaid expenses  | (27.9)                                  | (26.9)   |
| Short-term derivative assets, net   | (446.3)                                 | (61.0)   |
| Other current assets  | (84.2)                                  | 46.0     |
| Cash collateral with counterparties   | 76.7                                    | 107.8    |
| Other non-current assets  | (232.6)                                 | (90.4)   |
| Accounts payable  | 810.9                                   | 784.0    |
| Customer deposits   | 126.8                                   | 8.1      |
| Accrued expenses and other current liabilities  | 527.3                                   | 151.7    |
| Non-current income tax, net and other long-term liabilities   | 192.9                                   | 77.9     |
| Total adjustments   | 134.3                                   | 164.6    |
| Net cash provided by (used in) operating activities   | 229.3                                   | 223.3    |
| Cash flows from investing activities:   |   |          |
| Acquisition of business, net of cash acquired   | (641.7)                                 | —        |
| Proceeds from sale of business, net of divested cash  | —                                       | 25.0     |
| Capital expenditures  | (56.2)                                  | (28.3)   |
| Other investing activities, net   | (1.3)                                   | (6.5)    |
| Net cash provided by (used in) investing activities   | (699.2)                                 | (9.8)    |
| Cash flows from financing activities:   |   |          |
| Borrowings of debt  | 6,238.1                                 | 0.3      |
| Repayments of debt  | (6,038.7)                               | (16.5)   |
| Dividends paid on common stock  | (22.4)                                  | (21.2)   |
| Repurchases of common stock   | (48.7)                                  | (24.4)   |
| Other financing activities, net   | (13.3)                                  | (8.5)    |
| Net cash provided by (used in) financing activities   | 115.0                                   | (70.3)   |
| Effect of exchange rate changes on cash and cash equivalents  | (17.0)                                  | (6.0)    |
| Net increase (decrease) in cash and cash equivalents  | (371.9)                                 | 137.2    |
| Cash and cash equivalents, as of the beginning of the period  | 652.2                                   | 658.8    |
| Cash and cash equivalents, as of the end of the period  | \$ 280.3                                | \$ 796.0 |

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

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

(Unaudited)

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

### General

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 Quarterly Report on Form 10-Q ("10-Q 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 increasing our sustainability offerings and renewable energy solutions in light of the continued global focus on climate change and the related impacts.

The Condensed Consolidated Financial Statements and related Notes include our parent company and all subsidiaries where we exercise control, and 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 Condensed Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the Notes included in our 2021 Annual Report on Form 10-K ("2021 10-K Report"). All intercompany transactions among our businesses have been eliminated.

Revenues, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be representative of those for the full year. In our opinion, all adjustments necessary for a fair statement of the financial statements, which are of a normal and recurring nature, have been made for the interim periods reported. The information included in this 10-Q Report should be read in conjunction with the Consolidated Financial Statements and accompanying Notes included in our 2021 10-K Report. Certain amounts in the Condensed Consolidated Financial Statements and accompanying Notes may not add due to rounding; however, all percentages have been calculated using unrounded amounts. Certain prior period amounts have been reclassified to conform to the current presentation.

### New Accounting Standards

#### Adoption of New Accounting Standards

During 2022, there have been no accounting standards that, upon adoption, had a material impact on the Company's unaudited Condensed Consolidated Financial Statements or processes.

#### Accounting Standards Issued but Not Yet Adopted

*Disclosure of Supplier Finance Program Obligations.* In September 2022, ASU 2022-04 was issued to require the buyer in a supplier finance program to disclose the key terms of the program, outstanding confirmed amounts as of the end of the period, a rollforward of such amounts during each annual period, and a description of where in the financial statements outstanding amounts are presented. The amendments do not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. The amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The amendments should be applied retrospectively to each period in which a balance sheet is presented, except for the rollforward, which should be applied prospectively. We are currently evaluating the provisions in the amendment to conclude if they will have a material impact on the Company's Consolidated Financial Statements or processes.



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.

### Significant Accounting Policies

There have been no significant changes in the Company's accounting policies from those disclosed in our 2021 10-K Report. The significant accounting policies we use for quarterly financial reporting are disclosed in Note 1. Basis of Presentation, New Accounting Standards, and Significant Accounting Policies of the accompanying Notes to the Consolidated Financial Statements included in our 2021 10-K Report.

## 2. Accounts Receivable

### Accounts Receivable and Allowance for Credit Losses

When we extend credit on an unsecured basis, our exposure to credit losses depends on the financial condition of our customers and macroeconomic factors beyond our control, such as global economic conditions or adverse impacts in the industries we serve, changes in oil prices and political instability.

We actively monitor and manage our credit exposure and work to respond to both changes in our customers' financial conditions or macroeconomic events. Based on the ongoing credit evaluations of our customers, we adjust credit limits based upon payment history and our customers' current creditworthiness. However, because 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, net of \$3.2 billion and \$2.4 billion and an allowance for expected credit losses, primarily related to accounts receivable, of \$17.6 million and \$29.8 million, as of September 30, 2022 and December 31, 2021, respectively. Changes to the expected credit loss provision during the nine months ended September 30, 2022 include global economic outlook considerations as a result of the Company's assessment of reasonable and supportable forward-looking information. Write-offs of uncollectible receivables during the nine months ended September 30, 2022 resulted principally from pre-existing financial difficulties experienced by certain customers. Based on an aging analysis as of September 30, 2022, 96% of our accounts receivable were outstanding less than 60 days.

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

|  | For the Nine Months Ended September 30, |         |
|--|---|---------|
|  | 2022                                    | 2021    |
| Balance as of January 1,               | \$ 29.8                                 | \$ 57.3 |
| Charges to allowance for credit losses | 6.1                                     | 2.8     |
| Write-off of uncollectible receivables | (19.7)                                  | (32.4)  |
| Recoveries of credit losses            | 0.8                                     | 1.3     |
| Translation adjustments                | 0.7                                     | 0.1     |
| Balance as of September 30,            | \$ 17.6                                 | \$ 29.2 |

### Receivable Purchase Agreements

We have receivable purchase agreements ("RPAs") that allow for the sale of our qualifying accounts receivable in exchange for cash consideration equal to the total balance, less a discount margin, depending on the outstanding accounts receivable at any given time. Accounts receivable sold under the RPAs are accounted for as sales and excluded from Accounts receivable, net of allowance for credit losses on the accompanying Condensed Consolidated Balance Sheets. Fees paid under the RPAs are recorded within Interest expense and other financing costs, net on the Condensed Consolidated Statements of Income and Comprehensive Income.

During the nine months ended September 30, 2022 and 2021, we sold receivables under the RPAs with an aggregate face value of \$9.9 billion and \$6.8 billion, respectively, and recognized fees of \$29.4 million and \$14.6 million, respectively.

### 3. Acquisitions

#### 2022 Acquisition

On October 28, 2021, we entered into a definitive agreement (the "Purchase Agreement") to acquire all of the outstanding equity interest in Flyers Energy Group, LLC ("Flyers"). Flyers' operations include transportation, commercial fleet fueling, lubricants distribution, and the supply of wholesale, branded and renewable fuels.

The acquisition closed on January 3, 2022 for total estimated consideration of \$792.2 million, subject to customary adjustments relating to net working capital, indebtedness and transaction expenses. At closing, \$642.7 million, inclusive of \$19.7 million for estimated net working capital adjustments, was paid in cash and, at the election of the Company, \$50.0 million was satisfied through the delivery of 1,768,034 shares of the Company's common stock at a price of \$28.28 per share. The remaining \$100.0 million was held back to satisfy potential indemnification and other obligations of the seller, with one-half to be released on the first and second anniversary of the closing of the acquisition, in each case subject to reduction in respect to amounts claimed under the Purchase Agreement. The total purchase consideration also included a receivable of \$0.5 million from the seller for estimated working capital adjustments. During the second quarter, the working capital adjustments were updated and as a result the working capital payable to seller increased to \$2.3 million, which was paid on July 1, 2022. The acquisition was accounted for as a business combination and is reported in the land segment.

The purchase price allocation was finalized during the third quarter of 2022. The following table summarizes the fair value of the aggregate consideration as well as the final allocation of the purchase price to the fair value of the assets acquired and liabilities assumed (in millions):

|   | <b>Final Purchase Price<br/>Allocation</b> |
|---|--|
| <b>Consideration:</b>   |  |
| Cash paid at closing  | \$ 642.7                                   |
| Working capital adjustment paid to seller                                 | 2.3  |
| Common stock issued to seller   | 50.0                                       |
| Amount due to sellers   | 100.0                                      |
| Total fair value of consideration   | <u>\$ 795.0</u>                            |
| <b>Assets acquired and liabilities assumed:</b>                           |  |
| Cash  | \$ 3.3                                     |
| Accounts receivable   | 109.8                                      |
| Inventory   | 50.9                                       |
| Property, plant and equipment   | 126.6                                      |
| Identifiable intangible assets subject to amortization <sup>(1)</sup>     | 162.5                                      |
| Identifiable intangible assets not subject to amortization <sup>(2)</sup> | 29.3                                       |
| Accounts payable  | (38.0)                                     |
| Other assets and liabilities, net <sup>(3)</sup>                          | (37.3)                                     |
| Net identifiable assets acquired  | <u>407.0</u>                               |
| Goodwill <sup>(4)</sup>   | 388.0                                      |
| Net assets acquired   | <u>\$ 795.0</u>                            |

<sup>(1)</sup> Identifiable intangible assets subject to amortization primarily consist of customer and network relationships and other identifiable assets which will be amortized over a weighted average life of 11.6 years.

<sup>(2)</sup> Identifiable intangible assets not subject to amortization include trademarks and trade names acquired.

<sup>(3)</sup> Includes the recognition of right of use assets of \$45.0 million and lease liabilities of \$46.0 million.

<sup>(4)</sup> Goodwill 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 land segment. We anticipate that all of the goodwill assigned to the land segment will be deductible for tax purposes.

Total revenue and income before income taxes of Flyers included in the Company's Condensed Consolidated Statement of Income for the period from the date of acquisition through September 30, 2022 were \$2.7 billion and \$56.7 million, respectively.

The following presents unaudited pro forma combined financial information of the Company for the three and nine months ended September 30, 2021 as if the acquisition of Flyers had been completed on January 1, 2021 (in millions):

| <i>(unaudited)</i>                    | <b>Three Months Ended<br/>September 30, 2021</b> |         | <b>Nine Months Ended<br/>September 30, 2021</b> |          |
|---------------------------------------|--|---------|---|----------|
| Revenue                               | \$   | 9,071.9 | \$  | 23,212.9 |
| Net income attributable to World Fuel | \$   | 36.7    | \$  | 90.2     |

The unaudited pro forma combined financial information was based on the historical financial information of World Fuel and Flyers and includes (i) incremental amortization expense to be incurred based on the preliminary fair values of the identifiable intangible assets acquired; (ii) additional interest expense associated with the incremental borrowings under our Credit Facility to finance the acquisition; (iii) nonrecurring transaction costs recognized in connection with the transaction; and (iv) the tax effect of the pro forma adjustments as well as the recognition of income tax expense associated with Flyers' historical statements, calculated using statutory tax rates, as Flyers was comprised of limited liability companies not subject to federal and state income taxes prior to the acquisition. The unaudited pro forma combined financial information does not necessarily reflect what the combined company's financial condition or results of operations would have been had the transaction and the related financing occurred on the dates indicated. The unaudited pro forma financial information also may not be useful in predicting the future financial condition and results of operations of the combined company following the transaction. In addition, the unaudited pro forma combined financial information does not give effect to any cost savings, operating synergies or revenue synergies that may result from the transaction, or the costs to achieve any such synergies.

#### **2021 Acquisition**

On October 1, 2021, we completed the acquisition of a liquid fuel business which services business and residential customers for a total purchase price of \$41.4 million. The transaction was accounted for as a business combination and is reported in our land segment.

#### **4. Goodwill**

The following table provides information regarding changes in goodwill during the nine months ended September 30, 2022 and 2021 (in millions):

|   | <b>Aviation<br/>Segment</b> |       | <b>Land<br/>Segment</b> |        | <b>Total</b> |         |
|---|-----------------------------|-------|-------------------------|--------|--------------|---------|
| As of December 31, 2021   | \$                          | 400.1 | \$                      | 461.8  | \$           | 861.9   |
| 2022 acquisition <sup>(1)</sup>   |                             | —     |                         | 388.0  |              | 388.0   |
| Foreign currency translation of non-USD functional currency subsidiary goodwill |                             | (4.5) |                         | (24.3) |              | (28.7)  |
| As of September 30, 2022  | \$                          | 395.6 | \$                      | 825.5  | \$           | 1,221.1 |

<sup>(1)</sup> See Note 3. Acquisitions for additional information.

#### **5. Derivative Instruments**

We are exposed to a variety of risks including but not limited to, changes in the prices of commodities that we buy or sell, changes in foreign currency exchange rates, changes in interest rates, and the creditworthiness of each of our counterparties. While we attempt to mitigate these fluctuations through hedging, such hedges may not be fully effective.

Our risk management program includes the following types of derivative instruments:

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

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

*Non-designated Derivatives.* 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.

With the exception of the interest rate swap agreement, which matures in March 2025, the majority of our derivative contracts are expected to settle within the next year. The following table summarizes the gross notional values of our derivative contracts used for risk management purposes (in millions):

|  | Unit | September 30, 2022 |
|--|------|--------------------|
| <b>Commodity contracts</b>                 |      |                    |
| Long                                       | BBL  | 69.1               |
| Short                                      | BBL  | (48.9)             |
| <b>Foreign currency exchange contracts</b> |      |                    |
| Sell U.S. dollar, buy other currencies     | USD  | (563.9)            |
| Buy U.S. dollar, sell other currencies     | USD  | 828.5              |
| <b>Interest rate contracts</b>             |      |                    |
| Interest rate swap                         | USD  | 300.0              |

### Assets and Liabilities

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

| Derivative Instruments   | Condensed Consolidated Balance Sheets Location | Gross Derivative Assets |                   | Gross Derivative Liabilities |                   |
|--|--|-------------------------|-------------------|------------------------------|-------------------|
|  |  | September 30, 2022      | December 31, 2021 | September 30, 2022           | December 31, 2021 |
| <b>Derivatives designated as hedging instruments</b>           |  |                         |                   |                              |                   |
| Commodity contracts  | Short-term derivative assets, net              | \$ 0.4                  | \$ 1.8            | \$ —                         | \$ 9.7            |
|  | Short-term derivative liabilities, net         | 8.1                     | 0.1               | 6.5                          | 0.4               |
| Interest rate contracts  | Short-term derivative assets, net              | 11.1                    | —                 | —                            | —                 |
|  | Other non-current assets                       | 15.0                    | 5.4               | —                            | —                 |
|  | Short-term derivative liabilities, net         | —                       | —                 | —                            | 0.3               |
| <b>Total derivatives designated as hedging instruments</b>     |  | <b>34.7</b>             | <b>7.3</b>        | <b>6.5</b>                   | <b>10.4</b>       |
| <b>Derivatives not designated as hedging instruments</b>       |  |                         |                   |                              |                   |
| Commodity contracts  | Short-term derivative assets, net              | 1,105.7                 | 516.3             | 580.9                        | 337.5             |
|  | Other non-current assets                       | 502.1                   | 112.2             | 189.5                        | 27.6              |
|  | Short-term derivative liabilities, net         | 566.1                   | 117.6             | 1,172.6                      | 286.6             |
|  | Other long-term liabilities                    | 299.7                   | 15.5              | 586.8                        | 82.1              |
| Foreign currency contracts                                     | Short-term derivative assets, net              | 32.6                    | 3.8               | 24.3                         | 1.7               |
|  | Other non-current assets                       | 1.4                     | 0.1               | 0.6                          | —                 |
|  | Short-term derivative liabilities, net         | (0.1)                   | 0.8               | —                            | 2.6               |
|  | Other long-term liabilities                    | 0.2                     | —                 | 0.2                          | —                 |
| <b>Total derivatives not designated as hedging instruments</b> |  | <b>2,507.8</b>          | <b>766.3</b>      | <b>2,554.8</b>               | <b>738.1</b>      |
| <b>Total derivatives</b>                                       |  | <b>\$ 2,542.5</b>       | <b>\$ 773.6</b>   | <b>\$ 2,561.2</b>            | <b>\$ 748.5</b>   |

For information regarding our derivative instruments measured at fair value after netting and collateral, see Note 8. Fair Value Measurements.

The following amounts were recorded on our Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges (in millions):

| Line item in the Consolidated Balance Sheets in which the hedged item is included | Carrying Amount of Hedged Assets/(Liabilities) |                   | Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Asset/(Liabilities) |                   |
|---|--|-------------------|--|-------------------|
|   | September 30, 2022                             | December 31, 2021 | September 30, 2022   | December 31, 2021 |
|   | Inventory                                      | \$ 62.4           | \$ 59.3  | \$ (6.2)          |

### Earnings and Other Comprehensive Income (Loss)

#### Derivatives Designated as Hedging Instruments

The following table presents, on a pre-tax basis, the location and amount of gains (losses) on fair value and cash flow hedges recognized in income in our Condensed Consolidated Statements of Income and Comprehensive Income (in millions):

|  | For the Three Months Ended |                 |   |                    |                 |   |
|--|----------------------------|-----------------|---|--------------------|-----------------|---|
|  | September 30, 2022         |                 |   | September 30, 2021 |                 |   |
|  | Revenue                    | Cost of revenue | Interest expense and other financing costs, net | Revenue            | Cost of revenue | Interest expense and other financing costs, net |
| Total amounts of income and expense line items in which the effects of fair value or cash flow hedged are recorded | \$ 15,661.3                | \$ 15,339.0     | \$ 34.0   | \$ 8,350.9         | \$ 8,153.4      | \$ 10.4   |
| Gains (losses) on fair value hedge relationships:  |                            |                 |   |                    |                 |   |
| Commodity contracts:   |                            |                 |   |                    |                 |   |
| Hedged item  | —                          | (5.8)           | —   | —                  | 3.1             | —   |
| Derivatives designated as hedging instruments  | —                          | 5.0             | —   | —                  | (4.8)           | —   |
| Gains (losses) on cash flow hedge relationships:   |                            |                 |   |                    |                 |   |
| Commodity contracts:   |                            |                 |   |                    |                 |   |
| Amount of gain (loss) reclassified from Accumulated other comprehensive income (loss) into net income              | (20.1)                     | 2.5             | —   | (20.2)             | 128.2           | —   |
| Interest rate contracts:   |                            |                 |   |                    |                 |   |
| Amount of gain (loss) reclassified from Accumulated other comprehensive income (loss) into net income              | —                          | —               | (1.3)   | —                  | —               | (0.3)   |
| Total amount of income and expense line items excluding the impact of hedges                                       | \$ 15,681.4                | \$ 15,340.6     | \$ 32.7   | \$ 8,371.0         | \$ 8,279.8      | \$ 10.1   |

|  | For the Nine Months Ended |                 |   |                    |                 |   |
|--|---------------------------|-----------------|---|--------------------|-----------------|---|
|  | September 30, 2022        |                 |   | September 30, 2021 |                 |   |
|  | Revenue                   | Cost of revenue | Interest expense and other financing costs, net | Revenue            | Cost of revenue | Interest expense and other financing costs, net |
| Total amounts of income and expense line items in which the effects of fair value or cash flow hedged are recorded | \$ 45,165.4               | \$ 44,358.7     | \$ 74.8   | \$ 21,394.2        | \$ 20,821.3     | \$ 29.2   |
| Gains (losses) on fair value hedge relationships:  |                           |                 |   |                    |                 |   |
| Commodity contracts:   |                           |                 |   |                    |                 |   |
| Hedged item  | —                         | 36.4            | —   | —                  | 29.7            | —   |
| Derivatives designated as hedging instruments  | —                         | (47.1)          | —   | —                  | (24.5)          | —   |
| Gains (losses) on cash flow hedge relationships:   |                           |                 |   |                    |                 |   |
| Commodity contracts:   |                           |                 |   |                    |                 |   |
| Amount of gain (loss) reclassified from Accumulated other comprehensive income (loss) into net income              | (165.7)                   | 2.5             | —   | (39.3)             | 246.8           | —   |
| Interest rate contracts:   |                           |                 |   |                    |                 |   |
| Amount of gain (loss) reclassified from Accumulated other comprehensive income (loss) into net income              | —                         | —               | (1.8)   | —                  | —               | (1.0)   |
| Total amount of income and expense line items excluding the impact of hedges                                       | \$ 45,331.2               | \$ 44,350.4     | \$ 73.0   | \$ 21,433.5        | \$ 21,073.2     | \$ 28.2   |

The following table presents, on a pre-tax basis, the amounts not recorded in Accumulated other comprehensive income (loss) due to intra-period settlement but recognized in Revenue and Cost of revenue in our Condensed Consolidated Statements of Income and Comprehensive Income (in millions):

| Gain (Loss) Not Recorded in Accumulated other comprehensive income (loss) Due to Intra-Period Settlement | Location        | For the Three Months Ended September 30, |         | For the Nine Months Ended September 30, |            |
|--|-----------------|--|---------|---|------------|
|  |                 | 2022                                     | 2021    | 2022                                    | 2021       |
|  |                 | Commodity contracts                      | Revenue | \$ 3.1                                  | \$ (143.0) |
| Commodity contracts  | Cost of revenue | \$ (2.9)                                 | \$ 22.0 | \$ 8.8                                  | \$ 37.2    |

For the nine months ended September 30, 2022 and 2021, 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 September 30, 2022, on a pre-tax basis, \$0.1 million and \$0.3 million are scheduled to be reclassified from Accumulated other comprehensive income (loss) as an increase to Revenue and a decrease to Cost of revenue, respectively, related to designated commodity cash flow hedges that will mature within the next twelve months.

The following tables present the effect and financial statement location of our derivative instruments in cash flow hedging relationships on Accumulated other comprehensive income (loss) and in our Condensed Consolidated Statements of Income and Comprehensive Income (in millions):

| Amount of Gain (Loss) Recognized in Accumulated other comprehensive income (loss), Net of Income Tax (Expense) Benefit | For the Three Months Ended September 30, |          | For the Nine Months Ended September 30, |           |
|--|--|----------|---|-----------|
|  | 2022                                     | 2021     | 2022                                    | 2021      |
| Commodity contracts (Revenue)  | \$ (5.5)                                 | \$ 53.7  | \$ (114.5)                              | \$ (22.3) |
| Commodity contracts (Cost of revenue)  | 2.7                                      | 17.8     | 2.0                                     | 172.1     |
| Interest rate contracts (Interest expense and other financing costs, net)  | \$ 4.1                                   | \$ (0.2) | \$ 14.1                                 | \$ 2.8    |
| Total gain (loss)  | \$ 1.2                                   | \$ 71.4  | \$ (98.4)                               | \$ 152.6  |

| Amount of Gain (Loss) Reclassified from Accumulated other comprehensive income (loss) into Net income (loss), Net of Income Tax (Expense) Benefit | Location  | For the Three Months Ended September 30, |         | For the Nine Months Ended September 30, |           |
|---|---|--|---------|---|-----------|
|   |   | 2022                                     | 2021    | 2022                                    | 2021      |
|   |   | Commodity contracts                      | Revenue | \$ (14.8)                               | \$ (15.5) |
| Commodity contracts   | Cost of revenue                                 | 1.8                                      | 95.5    | 1.8                                     | 183.9     |
| Interest rate contracts   | Interest expense and other financing costs, net | (0.9)                                    | (0.3)   | (1.3)                                   | (0.7)     |
| Total gain (loss)   |   | \$ (13.9)                                | \$ 79.7 | \$ (121.3)                              | \$ 153.1  |

#### Derivatives Not Designated as Hedging Instruments

The following table presents the amount and financial statement location in our Condensed Consolidated Statements of Income and Comprehensive Income of realized and unrealized gains (losses) recognized on derivative instruments not designated as hedging instruments (in millions):

| Derivative Instruments - Non-designated | Location             | For the Three Months Ended September 30, |         | For the Nine Months Ended September 30, |         |
|---|----------------------|--|---------|---|---------|
|   |                      | 2022                                     | 2021    | 2022                                    | 2021    |
|   |                      | Commodity contracts                      | Revenue | \$ 80.3                                 | \$ 3.3  |
|   | Cost of revenue      | 6.3                                      | 15.0    | (10.7)                                  | 321.8   |
|   |                      | 86.6                                     | 18.3    | 218.5                                   | 34.2    |
| Foreign currency contracts              | Revenue              | 0.3                                      | 0.9     | 0.4                                     | 1.1     |
|   | Other (expense), net | 14.2                                     | 1.5     | 18.1                                    | 3.4     |
|   |                      | 14.5                                     | 2.4     | 18.4                                    | 4.4     |
| Total gain (loss)                       |                      | \$ 101.1                                 | \$ 20.8 | \$ 236.9                                | \$ 38.7 |

#### 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):

|  | September 30, 2022 | December 31, 2021 |
|--|--------------------|-------------------|
| Net derivative liability positions with credit contingent features | \$ 4.8             | \$ 3.3            |
| Collateral posted and held by our counterparties                   | —                  | —                 |
| Maximum additional potential collateral requirements               | \$ 4.8             | \$ 3.3            |

As of September 30, 2022 and December 31, 2021, there was no collateral held by our counterparties on these derivative contracts with credit-risk-contingent features.

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

#### Credit Facility

On April 1, 2022, we entered into Amendment No. 8 to Fourth Amended and Restated Credit Agreement as further modified by Amendment No. 9 dated July 12, 2022 to: (i) increase the revolving credit facility to \$1.5 billion and provide a term loan of \$500 million, thereby replacing the existing Term Loan and increasing the total facility to \$2.0 billion; (ii) modify the pricing of the loans, including the reference rates for various currencies to reflect the discontinuation of LIBOR; (iii) extend the maturity to April 1, 2027; and (iv) modify certain financial and other covenants to provide greater operating flexibility.

## Long-Term Debt

Our outstanding debt consists of the following (in millions):

|   | September 30, 2022 | December 31, 2021 |
|---|--------------------|-------------------|
| Credit Facility   | \$ 200.0           | \$ —              |
| Term loans  | 491.4              | 484.1             |
| Finance leases  | 15.2               | 21.2              |
| Other   | 2.7                | 3.3               |
| Total debt  | 709.3              | 508.7             |
| Less: Current maturities of long-term debt and finance leases | 15.7               | 30.6              |
| Long-term debt  | \$ 693.6           | \$ 478.1          |

## Interest Expense

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

|   | For the Three Months Ended<br>September 30, |           | For the Nine Months Ended<br>September 30, |           |
|---|---|-----------|--|-----------|
|   | 2022  | 2021      | 2022                                       | 2021      |
| Interest income                                 | \$ 0.8                                      | \$ 1.7    | \$ 4.6                                     | \$ 5.4    |
| Interest expense and other financing costs      | (34.7)                                      | (12.1)    | (79.4)                                     | (34.6)    |
| Interest expense and other financing costs, net | \$ (34.0)                                   | \$ (10.4) | \$ (74.8)                                  | \$ (29.2) |

## 7. Shareholders' Equity

### Cash Dividends

During the nine months ended September 30, 2022, the Company's Board of Directors declared quarterly cash dividends of \$0.12, \$0.12, and \$0.14 per common share representing \$7.6 million, \$7.4 million, and \$8.6 million in total dividends, which were paid on April 8, 2022, July 1, 2022, and October 7, 2022, respectively. During the nine months ended September 30, 2021, quarterly cash dividends were declared of \$0.12 per common share representing \$7.5 million, \$7.6 million, and \$7.5 million in total dividends, which were paid on April 9, 2021, July 1, 2021, and October 8, 2021, respectively.



### Accumulated Other Comprehensive Income (Loss)

Our Accumulated other comprehensive income (loss), consists of foreign currency translation adjustments related to our subsidiaries that have a functional currency other than the U.S. dollar and unrealized gains (losses) from derivative instruments designated as cash flow hedges. The after-tax changes in Accumulated other comprehensive income (loss) by component were as follows (in millions):

|   | Foreign Currency<br>Translation<br>Adjustments | Cash Flow Hedges | Accumulated Other<br>Comprehensive<br>Income (Loss) |
|---|--|------------------|---|
| Balance as of January 1, 2022   | \$ (134.0)                                     | \$ (2.7)         | \$ (136.7)  |
| Other comprehensive income (loss) before reclassifications                          | (77.5)   | (98.4)           | (175.9)   |
| Amounts reclassified from accumulated other comprehensive income (loss)             | —  | 121.3            | 121.3   |
| Less: Net other comprehensive (income) loss attributable to noncontrolling interest | —  | —                | —   |
| Balance as of September 30, 2022  | <u>\$ (211.4)</u>                              | <u>\$ 20.2</u>   | <u>\$ (191.2)</u>                                   |
| Balance as of January 1, 2021   | \$ (120.3)                                     | \$ (12.3)        | \$ (132.6)  |
| Other comprehensive income (loss) before reclassifications                          | (10.6)   | 152.6            | 142.0   |
| Amounts reclassified from accumulated other comprehensive income (loss)             | —  | (153.1)          | (153.1)   |
| Less: Net other comprehensive (income) loss attributable to noncontrolling interest | —  | —                | —   |
| Balance as of September 30, 2021  | <u>\$ (130.9)</u>                              | <u>\$ (12.8)</u> | <u>\$ (143.6)</u>                                   |

### 8. 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 their short-term maturities. The carrying values of our debt and notes receivable approximate fair value as these instruments bear interest either at variable rates or fixed rates, which are not significantly different from market rates. The fair value measurements for our debt and notes receivable are considered to be Level 2 measurements based on the fair value hierarchy.

#### Recurring Fair Value Measurements

The following tables present information about our gross assets and liabilities that are measured at fair value on a recurring basis (in millions):

|  | Fair Value Measurements as of September 30, 2022 |                   |                |                   |
|--|--|-------------------|----------------|-------------------|
|  | Level 1 Inputs                                   | Level 2 Inputs    | Level 3 Inputs | Total             |
| <b>Assets:</b>                         |  |                   |                |                   |
| Commodities contracts                  | \$ 1,272.8                                       | \$ 1,201.7        | \$ 7.8         | \$ 2,482.3        |
| Interest rate contract                 | —  | 26.2              | —              | 26.2              |
| Foreign currency contracts             | —  | 34.1              | —              | 34.1              |
| Cash surrender value of life insurance | —  | 13.9              | —              | 13.9              |
| Total assets at fair value             | <u>\$ 1,272.8</u>                                | <u>\$ 1,275.9</u> | <u>\$ 7.8</u>  | <u>\$ 2,556.5</u> |
| <b>Liabilities:</b>                    |  |                   |                |                   |
| Commodities contracts                  | \$ 921.5   | \$ 1,609.7        | \$ 5.0         | \$ 2,536.1        |
| Foreign currency contracts             | —  | 25.1              | —              | 25.1              |
| Total liabilities at fair value        | <u>\$ 921.5</u>                                  | <u>\$ 1,634.7</u> | <u>\$ 5.0</u>  | <u>\$ 2,561.2</u> |

**Fair Value Measurements as of December 31, 2021**

|  | Level 1 Inputs  | Level 2 Inputs  | Level 3 Inputs | Total           |
|--|-----------------|-----------------|----------------|-----------------|
| <b>Assets:</b>                         |                 |                 |                |                 |
| Commodities contracts                  | \$ 513.3        | \$ 247.6        | \$ 2.6         | \$ 763.5        |
| Interest rate contract                 | —               | 5.4             | —              | 5.4             |
| Foreign currency contracts             | —               | 4.7             | —              | 4.7             |
| Cash surrender value of life insurance | —               | 14.6            | —              | 14.6            |
| Total assets at fair value             | <u>\$ 513.3</u> | <u>\$ 272.3</u> | <u>\$ 2.6</u>  | <u>\$ 788.3</u> |
| <b>Liabilities:</b>                    |                 |                 |                |                 |
| Commodities contracts                  | \$ 361.5        | \$ 378.6        | \$ 3.8         | \$ 743.9        |
| Interest rate contract                 | —               | 0.3             | —              | 0.3             |
| Foreign currency contracts             | —               | 4.3             | —              | 4.3             |
| Total liabilities at fair value        | <u>\$ 361.5</u> | <u>\$ 383.2</u> | <u>\$ 3.8</u>  | <u>\$ 748.5</u> |

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.

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. The following tables summarize those derivative balances subject to the right of offset as presented on our Consolidated Balance Sheets (in millions):

**Fair Value as of September 30, 2022**

|                                 | Gross<br>Amounts<br>Recognized | Gross<br>Amounts<br>Offset | Net Amounts<br>Presented | Cash<br>Collateral | Gross Amounts<br>without Right of<br>Offset | Net Amounts     |
|---------------------------------|--------------------------------|----------------------------|--------------------------|--------------------|---|-----------------|
| <b>Assets:</b>                  |                                |                            |                          |                    |   |                 |
| Commodities contracts           | \$ 2,482.3                     | \$ 1,635.6                 | \$ 846.7                 | \$ 329.9           | \$ —  | \$ 516.8        |
| Interest rate contract          | 26.2                           | —                          | 26.2                     | —                  | —   | 26.2            |
| Foreign currency contracts      | 34.1                           | 25.1                       | 9.0                      | —                  | —   | 9.0             |
| Total assets at fair value      | <u>\$ 2,542.5</u>              | <u>\$ 1,660.7</u>          | <u>\$ 881.8</u>          | <u>\$ 329.9</u>    | <u>\$ —</u>                                 | <u>\$ 551.9</u> |
| <b>Liabilities:</b>             |                                |                            |                          |                    |   |                 |
| Commodities contracts           | \$ 2,536.1                     | \$ 1,635.6                 | \$ 900.5                 | \$ 146.5           | \$ —  | \$ 754.0        |
| Foreign currency contracts      | 25.1                           | 25.1                       | —                        | —                  | —   | —               |
| Total liabilities at fair value | <u>\$ 2,561.2</u>              | <u>\$ 1,660.7</u>          | <u>\$ 900.5</u>          | <u>\$ 146.5</u>    | <u>\$ —</u>                                 | <u>\$ 754.0</u> |

**Fair Value as of December 31, 2021**

|  | <b>Gross<br/>Amounts<br/>Recognized</b> | <b>Gross<br/>Amounts<br/>Offset</b> | <b>Net Amounts<br/>Presented</b> | <b>Cash<br/>Collateral</b> | <b>Gross Amounts<br/>without Right of<br/>Offset</b> | <b>Net Amounts</b> |
|--|---|-------------------------------------|----------------------------------|----------------------------|--|--------------------|
| <b>Assets:</b>                         |   |                                     |                                  |                            |  |                    |
| Commodities contracts                  | \$ 763.5                                | \$ 513.1                            | \$ 250.4                         | \$ 7.6                     | \$ —   | \$ 242.8           |
| Interest rate contract                 | 5.4                                     | —                                   | 5.4                              | —                          | —  | 5.4                |
| Foreign currency contracts             | 4.7                                     | 2.6                                 | 2.1                              | —                          | —  | 2.1                |
| <b>Total assets at fair value</b>      | <b>\$ 773.6</b>                         | <b>\$ 515.6</b>                     | <b>\$ 258.0</b>                  | <b>\$ 7.6</b>              | <b>\$ —</b>  | <b>\$ 250.4</b>    |
| <b>Liabilities:</b>                    |   |                                     |                                  |                            |  |                    |
| Commodities contracts                  | \$ 743.9                                | \$ 513.1                            | \$ 230.8                         | \$ 3.2                     | \$ —   | \$ 227.7           |
| Interest rate contract                 | 0.3                                     | —                                   | 0.3                              | —                          | —  | 0.3                |
| Foreign currency contracts             | 4.3                                     | 2.6                                 | 1.7                              | —                          | —  | 1.7                |
| <b>Total liabilities at fair value</b> | <b>\$ 748.5</b>                         | <b>\$ 515.6</b>                     | <b>\$ 232.8</b>                  | <b>\$ 3.2</b>              | <b>\$ —</b>  | <b>\$ 229.7</b>    |

At September 30, 2022 and December 31, 2021, we did not present any amounts gross on our Condensed Consolidated Balance Sheets where we had the right of offset.

**Concentration of Credit Risk**

Our individual over-the-counter ("OTC") counterparty exposure is managed within predetermined credit limits and includes the use of cash-call margins when appropriate, thereby reducing the risk of significant nonperformance. At September 30, 2022, one of our counterparties with a total exposure of \$103.3 million represented over 10% of our credit exposure to OTC derivative counterparties, for which we held cash collateral of \$51.4 million from the counterparty.

**Nonrecurring Fair Value Measurements**

The fair values of nonrecurring assets or liabilities measured using Level 3 inputs were not material as of September 30, 2022 and December 31, 2021, respectively. The Flyers assets acquired and liabilities assumed were measured and recorded at their acquisition date fair values during the nine months ended September 30, 2022 as discussed in Note 3. Acquisitions.

## 9. Revenue from Contracts with Customers

The following table presents our revenues from contracts with customers disaggregated by major geographic areas in which we conduct business (in millions):

|   | For the Three Months Ended<br>September 30, |            | For the Nine Months Ended<br>September 30, |             |
|---|---|------------|--|-------------|
|   | 2022  | 2021       | 2022                                       | 2021        |
| Aviation  | \$ 334.7                                    | \$ 173.6   | \$ 878.5                                   | \$ 451.0    |
| Land  | 3.7   | 6.5        | 58.9                                       | 16.1        |
| Marine  | 1,341.9                                     | 891.2      | 4,017.1                                    | 2,337.5     |
| Asia Pacific  | 1,680.3                                     | 1,071.4    | 4,954.5                                    | 2,804.6     |
|   |   |            |  |             |
| Aviation  | 1,500.9                                     | 639.4      | 3,444.7                                    | 1,269.4     |
| Land  | 1,059.4                                     | 571.4      | 3,056.1                                    | 1,737.1     |
| Marine  | 1,017.2                                     | 652.8      | 2,979.7                                    | 1,700.1     |
| EMEA  | 3,577.6                                     | 1,863.7    | 9,480.5                                    | 4,706.6     |
|   |   |            |  |             |
| Aviation  | 1,211.2                                     | 561.1      | 3,493.4                                    | 1,363.6     |
| Land  | 235.7                                       | 160.6      | 699.0                                      | 423.1       |
| Marine  | 248.8                                       | 160.6      | 826.4                                      | 417.2       |
| LATAM   | 1,695.7                                     | 882.3      | 5,018.8                                    | 2,203.9     |
|   |   |            |  |             |
| Aviation  | 4,216.2                                     | 2,362.3    | 12,568.1                                   | 5,737.3     |
| Land  | 3,622.0                                     | 1,932.6    | 10,807.8                                   | 5,143.9     |
| Marine  | 544.3                                       | 283.2      | 1,777.1                                    | 828.7       |
| North America   | 8,382.5                                     | 4,578.1    | 25,153.0                                   | 11,709.9    |
|   |   |            |  |             |
| Other revenues (excluded from ASC 606) <sup>(1)</sup> | 325.2                                       | (44.7)     | 558.6                                      | (30.8)      |
|   |   |            |  |             |
| Total revenue   | \$ 15,661.3                                 | \$ 8,350.9 | \$ 45,165.4                                | \$ 21,394.2 |

<sup>(1)</sup> Includes revenue from derivatives, leases, and other transactions that we account for under separate guidance.

The nature of the receivables related to revenue from contracts with customers and other revenues (excluded from ASC 606) are substantially similar, as they are both 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 utilizing 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 Sheets. As of September 30, 2022 and December 31, 2021, the contract assets and contract liabilities recognized by the Company were not material.

## 10. Income Taxes

Our income tax provision and the respective effective income tax rates are as follows (in millions, except for income tax rates):

|                            | For the Three Months Ended<br>September 30, |         | For the Nine Months Ended<br>September 30, |         |
|----------------------------|---|---------|--|---------|
|                            | 2022  | 2021    | 2022                                       | 2021    |
| Provision for income taxes | \$ 18.9                                     | \$ 10.0 | \$ 22.7                                    | \$ 20.8 |
| Effective income tax rate  | 30.1 %                                      | 30.9 %  | 19.3 %                                     | 26.1 %  |

Our provision for income taxes for the three months ended September 30, 2022 includes a discrete income tax benefit of \$1.5 million, net, of which a benefit of \$3.1 million relates to the reversal of a valuation allowance previously recorded against the deferred tax assets of one of our foreign subsidiaries, reduced by a net tax expense of \$1.5 million related to other worldwide tax adjustments. For the three months ended September 30, 2021, the provision includes a net discrete income tax benefit of \$1.1 million primarily related to adjustments resulting from tax return filings in several worldwide jurisdictions reduced by other tax reserve provisions.

Our provision for income taxes for the nine months ended September 30, 2022 includes a discrete income tax benefit of \$13.3 million, net, of which a benefit of \$9.4 million relates to the reversal of valuation allowances previously recorded against the deferred tax assets of two of our foreign subsidiaries and \$7.3 million relates to the remeasurement of an uncertain tax position and expiration of statute of limitation periods for one of our foreign subsidiaries, reduced by a net tax expense of \$3.4 million related to other worldwide tax adjustments. For the nine months ended September 30, 2021, the provision includes net discrete income tax benefits of \$4.5 million related to the impact of a change in the United Kingdom's tax rate and \$1.6 million related to an adjustment for the final purchase price allocation on the sale of the Multiservice payment solutions business, reduced by a net discrete tax expense of \$1.2 million related to tax reserve provisions, adjustments related to the filing in several worldwide jurisdictions, and other worldwide tax adjustments.

Our income tax provisions for the three and nine months ended September 30, 2022 and 2021 were calculated based on the estimated annual effective income tax rates for the 2022 and 2021 years, respectively. The actual effective income tax rate for the 2022 year may be materially different for several reasons including differences between estimated versus actual results and the geographic tax jurisdictions in which the results are earned.

We have various tax returns under examination both in the U.S. and foreign jurisdictions. The most material of these is in Denmark for the 2013 - 2019 tax years. One of our subsidiaries in Denmark has been under audit for its 2013 - 2015 tax years since 2018 and was notified in March 2021 that its 2016 - 2019 tax years were also under examination. Through the nine months ended September 30, 2022, we have received final tax assessments for the 2013 and 2014 tax years that were immaterial and a proposed tax assessment for the 2015 tax year of approximately \$12.7 million (DKK 96.1 million). In April 2022, we received a proposed tax assessment for the 2016 and 2017 tax years of approximately \$17.6 million (DKK 133.8 million) and \$20.5 million (DKK 155.5 million), respectively. We believe these assessments are without merit and are vigorously defending against the actions. We have not yet received any proposed assessments related to the 2018 - 2019 tax years, which could be materially larger than the previous assessments if a similar methodology is applied.

In March 2022, we received a proposed settlement for the 2011 to 2014 tax years of the Korea branch of one of our subsidiaries related to income tax assessment notices received in 2017 totaling \$7.8 million (KRW 11.3 billion) and revised in 2021 to \$7.4 million (KRW 10.6 billion). The proposed settlement reduced the total South Korean assessment for the 2011 to 2014 tax years to approximately \$1.4 million (KRW 2.0 billion), including tax, interest, and penalties. We agreed to the proposed settlement in the second quarter of 2022.

The U.S. IRS examination for our 2019 tax year was closed in June 2022, without any adjustments. We have not yet received notification that the examinations of our 2017 and 2018 tax years are closed but do not anticipate any changes from what we previously agreed in March 2022.

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.

## **11. 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 (businesses and governmental) and the products and services provided to those customers. As discussed in Note 3, Acquisitions, Flyers is reported as part of our land segment subsequent to the acquisition on January 3, 2022. We use Income from operations as our primary measure of profit as we believe it is the most meaningful measure to allocate resources and assess the performance of our segments.

Information concerning our Revenue and Income from operations by reportable segment is as follows (in millions):

|                                  | For the Three Months Ended<br>September 30, |                   | For the Nine Months Ended<br>September 30, |                    |
|----------------------------------|---|-------------------|--|--------------------|
|                                  | 2022  | 2021              | 2022                                       | 2021               |
| Revenue:                         |   |                   |  |                    |
| Aviation segment                 | \$ 7,262.0                                  | \$ 3,579.7        | \$ 20,116.0                                | \$ 8,480.5         |
| Land segment                     | 5,013.9                                     | 2,670.4           | 14,826.6                                   | 7,315.8            |
| Marine segment                   | 3,385.4                                     | 2,100.7           | 10,222.9                                   | 5,597.8            |
| Total revenue                    | <u>\$ 15,661.3</u>                          | <u>\$ 8,350.9</u> | <u>\$ 45,165.4</u>                         | <u>\$ 21,394.2</u> |
| Income from operations:          |   |                   |  |                    |
| Aviation segment                 | \$ 57.9                                     | \$ 57.0           | \$ 58.5                                    | \$ 114.0           |
| Land segment                     | 22.2  | 3.7               | 88.5                                       | 44.5               |
| Marine segment                   | 48.1  | 3.6               | 124.0                                      | 14.8               |
| Corporate overhead - unallocated | (27.9)                                      | (22.6)            | (76.6)                                     | (63.1)             |
| Total income from operations     | <u>\$ 100.3</u>                             | <u>\$ 41.7</u>    | <u>\$ 194.4</u>                            | <u>\$ 110.2</u>    |

Information concerning our Accounts receivable, net of allowance for credit losses and Total assets by reportable segment is as follows (in millions):

|   | September 30, 2022 | December 31, 2021 |
|---|--------------------|-------------------|
| Accounts receivable, net:   |                    |                   |
| Aviation segment, net of allowance for credit losses of \$5.7 and \$18.4 as of September 30, 2022 and December 31, 2021, respectively | \$ 1,341.3         | \$ 972.9          |
| Land segment, net of allowance for credit losses of \$4.8 and \$3.8 as of September 30, 2022 and December 31, 2021, respectively      | 1,063.5            | 664.7             |
| Marine segment, net of allowance for credit losses of \$3.8 and \$3.9 as of September 30, 2022 and December 31, 2021, respectively    | 768.2              | 717.7             |
| Total accounts receivable, net  | <u>\$ 3,172.9</u>  | <u>\$ 2,355.3</u> |
| Total assets:   |                    |                   |
| Aviation segment  | \$ 2,875.3         | \$ 2,305.6        |
| Land segment  | 3,580.5            | 2,106.1           |
| Marine segment  | 1,057.1            | 1,022.7           |
| Corporate   | 457.3              | 507.9             |
| Total assets  | <u>\$ 7,970.3</u>  | <u>\$ 5,942.4</u> |

## 12. 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):

|  | For the Three Months Ended<br>September 30, |         | For the Nine Months Ended<br>September 30, |         |
|--|---|---------|--|---------|
|  | 2022  | 2021    | 2022                                       | 2021    |
| <b>Numerator:</b>  |   |         |  |         |
| Net income attributable to World Fuel  | \$ 42.5                                     | \$ 21.7 | \$ 93.2                                    | \$ 58.2 |
| <b>Denominator:</b>  |   |         |  |         |
| Weighted average common shares for basic earnings per common share   | 62.0  | 63.0    | 62.5                                       | 63.1    |
| Effect of dilutive securities  | 0.3   | 0.3     | 0.3  | 0.4     |
| Weighted average common shares for diluted earnings per common share   | 62.3  | 63.3    | 62.8                                       | 63.6    |
| Basic earnings (loss) per common share   | \$ 0.69                                     | \$ 0.34 | \$ 1.49                                    | \$ 0.92 |
| Diluted earnings (loss) per common share   | \$ 0.68                                     | \$ 0.34 | \$ 1.48                                    | \$ 0.92 |
| 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 | 1.6   | 0.8     | 1.5  | 0.8     |

## 13. Commitments and Contingencies

We are 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. For example, in December 2021, judgments were entered against one of our subsidiaries in the Singapore High Court in companion actions filed by a financing bank of two of our subsidiary's suppliers. Each of the claims arose out of a financing arrangement between our subsidiary's supplier and the bank and the resulting judgments, including principal and interest, are in the aggregate amount of approximately \$33 million. We believe the claims are without merit, have appealed the judgments and are vigorously defending against the claims.

From time to time, we are also under review by various domestic and foreign tax authorities regarding indirect tax matters and are involved in various challenges and litigation in a number of countries, including, in particular, South Korea and Brazil, where the amounts in controversy may be material. During 2016 and 2017, the South Korean branch of one of our subsidiaries received assessments totaling approximately \$23.8 million (KRW 34.3 billion) from the regional tax authorities of Seoul, South Korea. The assessment primarily consists of fines and penalties for allegedly failing to issue Value Added Tax ("VAT") invoices and report certain transactions during the period 2011-2014. We believe that these assessments are without merit and are currently appealing the actions.

We are also involved in several 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 contesting an assessment of approximately \$11.4 million (BRL 61.6 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.

We have established loss provisions for claims and other matters in which losses are probable and can be reasonably estimated. As of September 30, 2022, these reserves were not material. For those matters where a reserve has not been established and for which we believe a loss is reasonably possible, we believe that such losses will not have a material adverse effect on our Condensed 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 Condensed 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.



## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our 2021 10-K Report and the unaudited Condensed Consolidated Financial Statements and related Notes in Item 1 - Financial Statements of this 10-Q Report. A reference to a "Note" herein refers to the accompanying Notes to the Condensed Consolidated Financial Statements contained in Item 1 - Financial Statements. 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 are disclosed in Item 1A - Risk Factors of our 2021 10-K Report.

### Forward-Looking Statements

This 10-Q 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," "plan," or words or phrases of similar meaning. Specifically, this 10-Q Report includes forward-looking statements regarding (i) the conditions in the aviation, land, and marine markets and their impact on our business, (ii) growth strategies, the impact of fuel prices and our working capital, liquidity, and capital expenditure requirements, (iii) our expectations and estimates regarding tax, legal and accounting matters, including the impact on our financial statements, (iv) our expectations regarding the financial impact and other benefits of previous acquisitions, including estimates of future expenses and our ability to realize estimated synergies, (v) estimates regarding the financial impact of our derivative contracts, (vi) our role in the transition to lower carbon alternatives and the impact of our services on such transition, and (vii) the effects of the continuing recovery from the coronavirus pandemic, or COVID-19, including our expectations about demand, volume, and profitability. 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:

- inflationary pressures and their impact on our customers or the global economy, including sudden or significant increases in interest rates or a global recession;
- customer and counterparty creditworthiness and our ability to collect accounts receivable and settle derivative contracts;
- adverse conditions in the industries in which our customers operate;
- sudden changes in the market price of fuel or extremely high or low fuel prices that continue for an extended period of time;
- our ability to effectively integrate and derive benefits from acquired businesses;
- our inability to effectively mitigate certain financial risks and other risks associated with derivatives and our physical fuel products;
- our failure to comply with restrictions and covenants in our senior revolving credit facility ("Credit Facility") and our senior term loan ("Term Loan"), including our financial covenants;
- the impact of cyber and other information security-related incidents;
- changes in the political, economic or regulatory environment generally and in the markets in which we operate, such as the current conflict in Eastern Europe;

- greenhouse gas reduction programs and other environmental and climate change legislation adopted by governments around the world, including cap and trade regimes, carbon taxes, increased efficiency standards and mandates for renewable energy, each of which could increase our operating and compliance costs as well as adversely impact our sales of fuel products;
- 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;
- currency exchange fluctuations;
- our ability to effectively leverage technology and operating systems and realize the anticipated benefits;
- failure to meet fuel and other product specifications agreed with our customers;
- 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;
- reputational harm from adverse publicity arising out of spills, environmental contamination or public perception about the impacts on climate change by us or other companies in our industry;
- 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 or underinsured losses;
- seasonal variability that adversely affects our revenues and operating results, as well as the impact of natural disasters, such as earthquakes, hurricanes and wildfires;
- 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;
- our ability to effectively manage the effects of the COVID-19 pandemic and the extent of the impact of the pandemic on ours and our customers' sales, profitability, operations and supply chains;
- the outcome of litigation and other proceedings, including the costs associated in defending any actions; and
- other risks, including those described in Item 1A - Risk Factors in our 2021 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 10-Q 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 Securities Exchange Act, as amended (the "Exchange Act").

### **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 product and service offerings to include energy advisory services, sustainability and renewable energy solutions, as well as 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 believe that we can have a significant impact on advancing the energy transition to lower carbon alternatives through expanding our portfolio of energy solutions and providing customers with greater access to sustainably sourced energy as well as mechanisms to compensate for residual emissions in the near term.

### **Reportable Segments**

We operate in three reportable segments consisting of aviation, land, and marine. For additional discussion on our reportable segments, see "Reportable Segments" under Part I, Item 1. Business in our 2021 10-K Report. Selected financial information with respect to our business segments is provided in Note 11. Business Segments.

#### 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 geographic expansion of our aviation fueling operations into additional international airport locations. As part of our growth strategy, we have also increased the level of inventory that we hold for strategic reasons at certain locations. While we generally enter into financial derivative contracts to mitigate price risk exposure associated with our inventory, depending on market pricing dynamics we may experience negative impacts on our results, particularly in a market pricing environment experiencing severe backwardation, such as in the first half of 2022, where oil futures forward prices traded at significantly lower levels than the current market price. Our results of operations in our aviation segment have been significantly affected during the last two fiscal years by the effects of the COVID-19 pandemic, as well as the withdrawal of the troops from Afghanistan by the U.S. and NATO that concluded in the third quarter of 2021. However, the relaxation of global travel restrictions in conjunction with higher vaccination distribution and lower COVID-19 case rates has contributed to a substantial recovery in global aviation volumes as compared to pre-pandemic levels.

#### Land Segment

We believe our land segment is well-positioned to continue growing market share, both organically and through leveraging the capabilities of our acquisitions, including Flyers which we acquired in January 2022, serving to further enhance our business to deliver value-added solutions to our land fuel customers. See Note 3. Acquisitions for additional information.

In addition, to participate in accelerating the energy transition, we continue to focus on the expansion of our sustainability offerings, including renewable fuel products, and carbon management and renewable energy solutions through World Kinect, our global energy management brand.

Finally, our land segment has also benefited from sales to NATO in Afghanistan in recent years, however, such activity materially declined and ultimately concluded in 2021 in connection with the withdrawal of the U.S. and NATO troops.

#### Marine Segment

Our marine segment has traditionally benefited from elevated fuel prices and volatility, supply uncertainty, and a constrained credit environment. Beginning in the latter part of the first quarter of 2020 and continuing through 2021, we experienced a material decline in volume and related profitability primarily due to the impact of the COVID-19 pandemic on the marine transportation industry. However, throughout 2022, our marine segment has significantly benefited from the constrained credit environment arising from the dramatic increase in global oil prices and higher interest rates, as well as the disruption of traditional supply patterns and related price volatility.

### **Macroeconomic Environment**

After being relatively moderate in recent years, inflation in the United States and other jurisdictions in which we do business increased significantly in late 2021 into 2022, primarily driven by supply chain disruptions, labor shortages and increased commodity prices, which has generally resulted in higher costs in 2022. However, to the extent that a rising cost environment impacts our results, there are typically offsetting benefits either inherent in certain parts of our business or that may result from proactive measures we take to reduce the impact of inflation on our net operating results. These benefits can include higher commodity prices that typically result in a constrained credit environment, often creating favorable market conditions that increase demand for our services, as well as our ability to renegotiate prices due to many of our sales contracts being 12 months or less in duration. Additionally, we take measures to mitigate the impact of increases in fuel prices through comprehensive hedging programs and the use of financial derivative contracts.

For these reasons, the increased cost environment, caused in part by inflation, has not had a material impact on our historical results of operations for the periods presented in this report. However, a significant or prolonged period of high inflation, particularly when combined with rising interest rates due to actions taken by governments to attempt to control inflation, could adversely impact our results if costs, including employee compensation driven by competitive job market conditions, were to increase at a rate greater than the increase in the revenues we generate. Higher interest rates also typically increase the interest expense associated with our credit arrangements with banks and other parties that serve as important sources of liquidity for us, which can therefore negatively impact our results of operations for a particular period.

See Part II, Item 1A Risk Factors – “We extend credit to most of our customers in connection with their purchase of fuel and services from us, and our financial condition, results of operations and cash flows will be adversely affected if we are unable to collect accounts receivable,” “Changes in the market price of fuel may have a material adverse effect on our business,” “Our business depends 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,” and “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” in our 2021 10-K Report for additional discussion of these risks.

## Results of Operations

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

### Consolidated Results of Operations

The following provides a summary of our consolidated results of operations for the periods indicated (in millions, except per share amounts):

|   | For the Three Months Ended September 30, |            |
|---|--|------------|
|   | 2022                                     | 2021       |
| Revenue   | \$ 15,661.3                              | \$ 8,350.9 |
| Cost of revenue   | 15,339.0                                 | 8,153.4    |
| Gross profit  | 322.3                                    | 197.5      |
| Operating expenses:                                       |  |            |
| Compensation and employee benefits                        | 141.1                                    | 93.5       |
| General and administrative                                | 81.7                                     | 60.6       |
| Restructuring charges                                     | (0.8)                                    | 1.7        |
| Total operating expenses                                  | 222.0                                    | 155.8      |
| Income (loss) from operations                             | 100.3                                    | 41.7       |
| Non-operating income (expenses), net:                     |  |            |
| Interest expense and other financing costs, net           | (34.0)                                   | (10.4)     |
| Other income (expense), net                               | (3.5)                                    | 1.0        |
| Total non-operating income (expense), net                 | (37.5)                                   | (9.4)      |
| Income (loss) before income taxes                         | 62.8                                     | 32.3       |
| Provision for income taxes                                | 18.9                                     | 10.0       |
| Net income (loss) including noncontrolling interest       | 43.9                                     | 22.3       |
| Net income (loss) attributable to noncontrolling interest | 1.4                                      | 0.6        |
| Net income (loss) attributable to World Fuel              | \$ 42.5                                  | \$ 21.7    |
| Basic earnings (loss) per common share                    | \$ 0.69                                  | \$ 0.34    |
| Diluted earnings (loss) per common share                  | \$ 0.68                                  | \$ 0.34    |

**Revenue.** Our consolidated revenue for the three months ended September 30, 2022 was \$15.7 billion, an increase of \$7.3 billion, or 88%, compared to the three months ended September 30, 2021, due to higher fuel prices and increased volumes in our aviation, land, and marine segments, as discussed further below.

**Gross Profit.** Our gross profit for the three months ended September 30, 2022 was \$322.3 million, an increase of \$124.9 million, or 63%, compared to the three months ended September 30, 2021, attributable to increased gross profit of \$55.3 million, \$53.0 million, and \$16.6 million in the land, marine, and aviation segments, respectively, as discussed further below.

**Operating Expenses.** Total operating expenses for the three months ended September 30, 2022 were \$222.0 million, an increase of \$66.2 million, or 43%, compared to the three months ended September 30, 2021. The increase in operating expenses was partially attributable to increased compensation and employee benefit costs related, in part, to the increase in quarterly gross profit in the three months ended September 30, 2022 compared to the three months ended September 30, 2021, the addition of Flyers' operating expenses of \$19.7 million, as well as higher general and administrative costs as business activity continues to normalize.

**Non-Operating Income (Expense), net.** For the three months ended September 30, 2022, we had net non-operating expense of \$37.5 million compared to net non-operating expense of \$9.4 million for the three months ended September 30, 2021. The increase of \$28.1 million during the three months ended September 30, 2022 was primarily attributable to an increase in interest expense, driven by higher interest rates and an increase in sales of accounts receivable under our receivables purchase agreements ("RPAs").

**Income Taxes.** For the three months ended September 30, 2022, we recognized an income tax expense of \$18.9 million, compared to income tax expense of \$10.0 million for the three months ended September 30, 2021. The increase of \$8.9 million was primarily attributable to an increase in our global pre-tax income and differences in the results of our subsidiaries in tax jurisdictions with different tax rates. See Note 10. Income Taxes for additional information.

### **Aviation Segment Results of Operations**

The following provides a summary of the aviation segment results of operations for the periods indicated (in millions, except price per gallon):

|   | For the Three Months Ended September 30, |            |            |
|---|--|------------|------------|
|   | 2022                                     | 2021       | Change     |
| Revenue                                   | \$ 7,262.0                               | \$ 3,579.7 | \$ 3,682.2 |
| Gross profit                              | \$ 129.6                                 | \$ 113.0   | \$ 16.6    |
| Operating expenses                        | 71.7                                     | 56.0       | 15.7       |
| Income (loss) from operations             | \$ 57.9                                  | \$ 57.0    | \$ 0.9     |
| <b>Operational metrics:</b>               |  |            |            |
| Aviation segment volumes (gallons)        | 1,839.6                                  | 1,655.6    | 184.0      |
| Aviation segment average price per gallon | \$ 3.75                                  | \$ 2.09    | \$ 1.66    |

Revenues in our aviation segment were \$7.3 billion for the three months ended September 30, 2022, an increase of \$3.7 billion, or 103%, compared to the three months ended September 30, 2021. The increase in revenue was driven by higher average prices and increased volumes. Average jet fuel price per gallon sold increased by 79% in the three months ended September 30, 2022 compared to the three months ended September 30, 2021 as a result of the rise in global oil prices. Total aviation volumes increased by 184 million gallons, or 11%, to 1.8 billion gallons as demand for air travel continued to recover, particularly in the international passenger airline markets.

Our aviation segment gross profit for the three months ended September 30, 2022 was \$129.6 million, an increase of \$16.6 million, or 15%, compared to the three months ended September 30, 2021. The increase in gross profit was primarily attributable to increased volumes from the continued recovery in demand for air travel as well as an increase in profit contribution from service offerings, partially offset by the reduction in our government-related activity in Afghanistan as a result of the military withdrawal which concluded during the third quarter of 2021.

Income from operations in our aviation segment for the three months ended September 30, 2022 was \$57.9 million, an increase of \$0.9 million, or 2%, compared to the three months ended September 30, 2021. The increase in gross profit discussed above was offset by a \$15.7 million increase in operating expenses driven principally by higher compensation and employee benefit costs as well as higher general and administrative costs, primarily travel and marketing expenses, as business activity continues to normalize.

### **Land Segment Results of Operations**

The following provides a summary of the land segment results of operations for the periods indicated (in millions, except price per gallon):

|                                       | For the Three Months Ended September 30, |            |            |
|---------------------------------------|--|------------|------------|
|                                       | 2022                                     | 2021       | Change     |
| Revenue                               | \$ 5,013.9                               | \$ 2,670.4 | \$ 2,343.5 |
| Gross profit                          | \$ 117.9                                 | \$ 62.6    | \$ 55.3    |
| Operating expenses                    | 95.7                                     | 59.0       | 36.8       |
| Income (loss) from operations         | \$ 22.2                                  | \$ 3.7     | \$ 18.5    |
| <b>Operational metrics:</b>           |  |            |            |
| Land segment volumes (gallons)        | 1,515.1                                  | 1,293.7    | 221.4      |
| Land segment average price per gallon | \$ 3.31                                  | \$ 2.06    | \$ 1.25    |

Revenues in our land segment were \$5.0 billion for the three months ended September 30, 2022, an increase of \$2.3 billion, or 88%, compared to the three months ended September 30, 2021. The increase in revenue was principally driven by higher average prices and the acquisition of Flyers. The average price per gallon, or gallon equivalent sold, increased by 60% in the three months ended September 30, 2022 compared to the three months ended September 30, 2021 as a result of the rise in global energy prices. Total volumes increased by 221.4 million, or 17%, to 1.5 billion gallons or gallon equivalents in the three months ended September 30, 2022 compared to the three months ended September 30, 2021, primarily due to the acquisition of Flyers in January 2022 and increased activity in World Kinect's natural gas and power activities.

Our land segment gross profit for the three months ended September 30, 2022 was \$117.9 million, an increase of \$55.3 million, or 88%, compared to the three months ended September 30, 2021. The increase in gross profit was primarily attributable to Flyers gross profit of \$36.7 million during the three months ended September 30, 2022 and stronger performance across our businesses, principally in North America, partially offset by the reduction in our government-related activity in Afghanistan.

In our land segment, income from operations for the three months ended September 30, 2022 was \$22.2 million, an increase of \$18.5 million, or 505%, compared to the three months ended September 30, 2021. The increase in gross profit discussed above was partially offset by an increase in operating expenses as a result of the acquisition of Flyers as well as higher compensation and employee benefit costs, in addition to higher general and administrative costs, primarily travel and marketing expenses, as business activity continues to normalize.

### **Marine Segment Results of Operations**

The following provides a summary of the marine segment results of operations for the periods indicated (in millions, except price per metric ton):

|   | <b>For the Three Months Ended September 30,</b> |             |            | <b>Change</b> |
|---|---|-------------|------------|---------------|
|   | <b>2022</b>                                     | <b>2021</b> |            |               |
| Revenue                                     | \$ 3,385.4                                      | \$ 2,100.7  | \$ 1,284.7 |               |
| Gross profit                                | \$ 74.8   | \$ 21.9     | \$ 53.0    |               |
| Operating expenses                          | 26.7  | 18.2        | 8.5        |               |
| Income (loss) from operations               | \$ 48.1   | \$ 3.6      | \$ 44.5    |               |
| <i>Operational metrics:</i>                 |   |             |            |               |
| Marine segment volumes (metric tons)        | 4.8   | 4.8         | 0.1        |               |
| Marine segment average price per metric ton | \$ 701.14                                       | \$ 440.55   | \$ 260.59  |               |

Revenues in our marine segment were \$3.4 billion for the three months ended September 30, 2022, an increase of \$1.3 billion, or 61%, compared to the three months ended September 30, 2021. The increase in revenue was principally driven by a 59% increase in the average price per metric ton of bunker fuel sold in the three months ended September 30, 2022 compared to the three months ended September 30, 2021. Total volumes were 4.8 million metric tons for the three months ended September 30, 2022 and 2021.

Our marine segment gross profit for the three months ended September 30, 2022 was \$74.8 million, an increase of \$53.0 million, or 242%, compared to the three months ended September 30, 2021. The increase in gross profit was principally attributable to the impact of higher bunker fuel prices and market volatility, as well as a constrained credit environment.

Our marine segment income from operations for the three months ended September 30, 2022 was \$48.1 million, an increase of \$44.5 million, or 1,229%, compared to the three months ended September 30, 2021, primarily due to the increase in gross profit, partially offset by a \$8.5 million increase in operating expenses as a result of higher incentive compensation.

Nine Months Ended September 30, 2022 Compared to Nine Months Ended September 30, 2021

*Consolidated Results of Operations*

The following provides a summary of our consolidated results of operations for the periods indicated (in millions, except per share amounts):

|   | <b>For the Nine Months Ended September 30,</b> |             |
|---|--|-------------|
|   | <b>2022</b>                                    | <b>2021</b> |
| Revenue   | \$ 45,165.4                                    | \$ 21,394.2 |
| Cost of revenue   | 44,358.7                                       | 20,821.3    |
| Gross profit  | 806.7  | 573.0       |
| Operating expenses:                                       |  |             |
| Compensation and employee benefits                        | 374.3  | 273.9       |
| General and administrative                                | 238.8  | 177.4       |
| Asset impairments   | —  | 4.7         |
| Restructuring charges                                     | (0.8)  | 6.8         |
| Total operating expenses                                  | 612.3  | 462.7       |
| Income (loss) from operations                             | 194.4  | 110.2       |
| Non-operating income (expenses), net:                     |  |             |
| Interest expense and other financing costs, net           | (74.8)   | (29.2)      |
| Other income (expense), net                               | (1.9)  | (1.6)       |
| Total non-operating income (expense), net                 | (76.7)   | (30.7)      |
| Income (loss) before income taxes                         | 117.7  | 79.5        |
| Provision for income taxes                                | 22.7   | 20.8        |
| Net income (loss) including noncontrolling interest       | 95.0   | 58.7        |
| Net income (loss) attributable to noncontrolling interest | 1.8  | 0.5         |
| Net income (loss) attributable to World Fuel              | \$ 93.2  | \$ 58.2     |
| Basic earnings (loss) per common share                    | \$ 1.49  | \$ 0.92     |
| Diluted earnings (loss) per common share                  | \$ 1.48  | \$ 0.92     |

**Revenue.** Our consolidated revenue for the nine months ended September 30, 2022 was \$45.2 billion, an increase of \$23.8 billion, or 111%, compared to the nine months ended September 30, 2021, due to higher fuel prices and increased volumes in our aviation, land, and marine segments, as discussed further below.

**Gross Profit.** Our gross profit for the nine months ended September 30, 2022 was \$806.7 million, an increase of \$233.7 million, or 41%, compared to the nine months ended September 30, 2021, attributable to increased gross profit of \$134.2 million and \$130.0 million in the land and marine segments, respectively, partially offset by a decrease of \$30.4 million in the aviation segment, as discussed further below.

**Operating Expenses.** Total operating expenses for the nine months ended September 30, 2022 were \$612.3 million, an increase of \$149.6 million, or 32%, compared to the nine months ended September 30, 2021. The increase in operating expenses was partially attributable to increased compensation and employee benefit costs, the addition of Flyers' operating expenses of \$57.2 million, as well as higher general and administrative costs as business activity continues to normalize. These increases were partially offset by a decrease in asset impairment and restructuring charges compared to the nine months ended September 30, 2021, principally in our land segment.

**Non-Operating Income (Expense), net.** For the nine months ended September 30, 2022, we had net non-operating expense of \$76.7 million compared to net non-operating expense of \$30.7 million the nine months ended September 30, 2021. The increase of \$46.0 million was primarily attributable to an increase in interest expense, driven by incremental borrowings related to the Flyers acquisition, higher interest rates, and an increase in sales of accounts receivable under our RPAs.

**Income Taxes.** For the nine months ended September 30, 2022, we recognized income tax expense of \$22.7 million, compared to \$20.8 million for the nine months ended September 30, 2021. The increase of \$1.9 million was primarily attributable to an increase of \$10.4 million related to higher global pre-tax income, partially offset by an \$8.4 million increase in discrete tax benefits, as discussed in Note 10. Income Taxes.



### Aviation Segment Results of Operations

The following provides a summary of the aviation segment results of operations for the periods indicated (in millions, except price per gallon):

|   | For the Nine Months Ended September 30, |            |             | Change |
|---|---|------------|-------------|--------|
|   | 2022                                    | 2021       |             |        |
| Revenue                                   | \$ 20,116.0                             | \$ 8,480.5 | \$ 11,635.4 |        |
| Gross profit                              | \$ 246.6                                | \$ 277.1   | \$ (30.4)   |        |
| Operating expenses                        | 188.1                                   | 163.0      | 25.0        |        |
| Income (loss) from operations             | \$ 58.5                                 | \$ 114.0   | \$ (55.5)   |        |
| <i>Operational metrics:</i>               |   |            |             |        |
| Aviation segment volumes (gallons)        | 5,326.2                                 | 4,172.8    | 1,153.4     |        |
| Aviation segment average price per gallon | \$ 3.65                                 | \$ 1.94    | \$ 1.70     |        |

Revenues in our aviation segment were \$20.1 billion for the nine months ended September 30, 2022, an increase of \$11.6 billion, or 137%, compared to the nine months ended September 30, 2021. The increase in revenue was driven by higher average prices and increased volume. Average jet fuel price per gallon sold increased by 88% in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021. Total aviation volumes increased by 1.2 billion gallons, or 28%, to 5.3 billion gallons as demand for air travel continued to recover, particularly in the North American and international passenger airline markets.

Our aviation segment gross profit for the nine months ended September 30, 2022 was \$246.6 million, a decrease of \$30.4 million, or 11%, compared to the nine months ended September 30, 2021. The decrease in gross profit was primarily due to inventory losses driven by extreme backwardation experienced principally during the second quarter of 2022, together with the reduction in our government-related activity in Afghanistan, which concluded with the military withdrawal during the third quarter of 2021, partially offset by increased volumes and higher profit contribution from service offerings as a result of the continued recovery in demand for air travel.

Income from operations in our aviation segment for the nine months ended September 30, 2022 was \$58.5 million, a decrease of \$55.5 million, or 49%, compared to the nine months ended September 30, 2021. In addition to the decrease in gross profit discussed above, income from operations was also impacted by a \$25.0 million increase in operating expenses. The increase in operating expenses was driven principally by higher compensation and employee benefit costs as well as higher general and administrative costs, primarily travel and marketing expenses, as business activity continues to normalize.

### Land Segment Results of Operations

The following provides a summary of the land segment results of operations for the periods indicated (in millions, except price per gallon):

|                                       | For the Nine Months Ended September 30, |            |            | Change |
|---------------------------------------|---|------------|------------|--------|
|                                       | 2022                                    | 2021       |            |        |
| Revenue                               | \$ 14,826.6                             | \$ 7,315.8 | \$ 7,510.7 |        |
| Gross profit                          | \$ 360.1                                | \$ 225.9   | \$ 134.2   |        |
| Operating expenses                    | 271.6                                   | 181.4      | 90.2       |        |
| Income (loss) from operations         | \$ 88.5                                 | \$ 44.5    | \$ 44.0    |        |
| <i>Operational metrics:</i>           |   |            |            |        |
| Land segment volumes (gallons)        | 4,629.4                                 | 3,885.2    | 744.2      |        |
| Land segment average price per gallon | \$ 3.20                                 | \$ 1.88    | \$ 1.32    |        |

Revenues in our land segment were \$14.8 billion for the nine months ended September 30, 2022, an increase of \$7.5 billion, or 103%, compared to the nine months ended September 30, 2021. The increase in revenue was principally driven by higher average prices and the acquisition of Flyers. The average price per gallon sold increased by 70% in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021. In addition, total volumes increased by 744.2 million gallons, or 19%, to 4.6 billion gallons or gallon equivalents in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021, primarily due to the acquisition of Flyers and the increased activity in World Kinect.

Our land segment gross profit for the nine months ended September 30, 2022 was \$360.1 million, an increase of \$134.2 million, or 59%, compared to the nine months ended September 30, 2021. The increase in gross profit was primarily attributable to Flyers gross profit of \$114.3 million in the nine months ended September 30, 2022 as well as stronger performance across our businesses, principally in North America, the UK, and Brazil. These increases were partially offset by the reduction in our government-related activity in Afghanistan.

In our land segment, income from operations for the nine months ended September 30, 2022 was \$88.5 million, an increase of \$44.0 million, or 99%, compared to the nine months ended September 30, 2021. The increase in gross profit discussed above was partially offset by an increase in operating expenses, driven by the acquisition of Flyers, as well as higher compensation and employee benefit costs and general and administrative costs as described under Consolidated Results of Operations above.

### **Marine Segment Results of Operations**

The following provides a summary of the marine segment results of operations for the periods indicated (in millions, except price per metric ton):

|   | <b>For the Nine Months Ended September 30,</b> |             | <b>Change</b> |
|---|--|-------------|---------------|
|   | <b>2022</b>                                    | <b>2021</b> |               |
| Revenue                                     | \$ 10,222.9                                    | \$ 5,597.8  | \$ 4,625.0    |
| Gross profit                                | \$ 200.0                                       | \$ 70.0     | \$ 130.0      |
| Operating expenses                          | 76.0   | 55.3        | 20.7          |
| Income (loss) from operations               | \$ 124.0                                       | \$ 14.8     | \$ 109.2      |
| <i>Operational metrics:</i>                 |  |             |               |
| Marine segment volumes (metric tons)        | 14.4   | 13.6        | 0.8           |
| Marine segment average price per metric ton | \$ 709.99                                      | \$ 411.92   | \$ 298.07     |

Revenues in our marine segment were \$10.2 billion for the nine months ended September 30, 2022, an increase of \$4.6 billion, or 83%, compared to the nine months ended September 30, 2021. The increase in revenue was principally driven by a 72% increase in the average price per metric ton of bunker fuel sold in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021. In addition, total volumes increased by 0.8 million metric tons, or 6%, to 14.4 million metric tons in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021.

Our marine segment gross profit for the nine months ended September 30, 2022 was \$200.0 million, an increase of \$130.0 million, or 186%, compared to the nine months ended September 30, 2021. The increase in gross profit was principally attributable to the impact of higher bunker fuel prices and market volatility, as well as a constrained credit environment.

Our marine segment income from operations for the nine months ended September 30, 2022 was \$124.0 million, an increase of \$109.2 million, or 740%, compared to the nine months ended September 30, 2021, principally due to the increase in gross profit, partially offset by a \$20.7 million increase in operating expenses driven largely by higher incentive compensation as well as higher general and administrative costs, primarily travel, marketing, and professional fees.

### **Liquidity and Capital Resources**

Liquidity to fund working capital, as well as make strategic investments to further our growth strategy, is a significant priority for us. Our views 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 accordingly.

### Sources of Liquidity and Factors Impacting Our Liquidity

Our liquidity, consisting principally of cash and availability under our Credit Facility, fluctuates based on a number of factors, including the timing of receipts from our customers and payments to our suppliers, changes in fuel prices, as well as our financial performance.

Based on the information currently available, we believe that our cash and cash equivalents as of September 30, 2022 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.

*Credit Facility and Term Loan.* On April 1, 2022, we entered into Amendment No. 8 to the Fourth Amended and Restated Credit Agreement, as further amended by Amendment No. 9 dated July 12, 2022, to amend certain terms and conditions of our Credit Facility, including: (i) increasing the revolving credit facility to \$1.5 billion and providing a term loan of \$500 million, thereby replacing the existing Term Loan and increasing the total facilities to \$2.0 billion; (ii) modifying the pricing of the loans, including the reference rates for various currencies to reflect the discontinuation of LIBOR; (iii) extending the maturity to April 1, 2027; and (iv) modifying certain financial and other covenants to provide greater operating flexibility. Our availability under our Credit Facility is limited by, among other things, our consolidated total leverage ratio, which is defined in the Credit Agreement and is based, in part, on our consolidated earnings before interest, taxes, depreciation and amortization, and share-based compensation, with such adjustments as specified therein, for the four immediately preceding fiscal quarters. The Credit Facility generally limits the total amount of indebtedness we may incur to a consolidated total leverage ratio of not more than 4.75 to 1.

As a result of the foregoing, as well as other covenants and restrictions contained in our Credit Facility, our availability under the Credit Facility may fluctuate from period to period. In addition, our failure to comply with the covenants contained in our Credit Facility and our Term Loan 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 Loan, 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.

*Receivables Purchase Agreements.* We also have accounts receivable programs under RPAs that allow us to sell a specified amount of qualifying accounts receivable and receive cash consideration equal to the total balance, less a discount margin, which varies based on the outstanding accounts receivable at any given time. The RPAs provide the constituent banks with the ability to add or remove customers from these programs in their discretion based on, among other things, the level of risk exposure the bank is willing to accept with respect to any particular customer. The fees the banks charge us to purchase the receivables from these customers can also be impacted for these reasons. During the nine months ended September 30, 2022 and 2021, we sold receivables under the RPAs with an aggregate face value of \$9.9 billion and \$6.8 billion, respectively. See Note 2. Accounts Receivable for additional information.

### Future Uses of Liquidity

Cash is primarily used to fund working capital to support our operations as well as for strategic acquisitions and investments. There were no material changes in our expected future uses of liquidity from December 31, 2021 to September 30, 2022. For a discussion of these matters, refer to Item 7 - Liquidity and Capital Resources of our 2021 10-K Report.

### Cash Flows

The following table reflects the major categories of cash flows for the nine months ended September 30, 2022 and 2021 (in millions). For additional details, please see the unaudited Condensed Consolidated Statements of Cash Flows in this Quarterly Report on Form 10-Q.

|   | For the Nine Months Ended September 30, |          |
|---|---|----------|
|   | 2022                                    | 2021     |
| Net cash provided by (used in) operating activities | \$ 229.3                                | \$ 223.3 |
| Net cash provided by (used in) investing activities | (699.2)                                 | (9.8)    |
| Net cash provided by (used in) financing activities | 115.0                                   | (70.3)   |

*Operating Activities.* For the nine months ended September 30, 2022, net cash provided by operating activities was \$229.3 million, compared to \$223.3 million net cash provided during the nine months ended September 30, 2021. The \$6.0 million increase in operating cash flows was principally attributable to an increase in net income

(see “Results of Operations” for further details of the drivers impacting our net income) adjusted for noncash items (primarily related to unrealized derivative activity and depreciation) of \$164.7 million, which was partially offset by the impacts of the overall increase in volumes as well as higher average fuel prices in 2022. The increased prices and volumes compared to the prior year negatively impacted our inventory costs, increased both our accounts receivable and our accounts payable, and also drove an increase in our derivative-related activity and transaction tax payments. These negative impacts on our operating cash flow were partially offset by an increase in sales of accounts receivable under our RPA programs (as discussed under “Sources of Liquidity and Factors Impacting Our Liquidity” above) and an increase in customer deposits.

*Investing Activities.* For the nine months ended September 30, 2022, net cash used in investing activities was \$699.2 million, compared to net cash used of \$9.8 million during the nine months ended September 30, 2021. The net cash used in investing activities for the nine months ended September 30, 2022 was primarily driven by \$641.7 million net cash paid for the acquisition of Flyers, as discussed in Note 3. Acquisitions, and \$56.2 million for capital expenditures. Net cash used in investing activities for the nine months ended September 30, 2021 was principally due to capital expenditures of \$28.3 million, partially offset by \$25.0 million received from the sale of a business.

*Financing Activities.* For the nine months ended September 30, 2022, net cash provided by financing activities was \$115.0 million compared to net cash used of \$70.3 million for the nine months ended September 30, 2021. The net cash provided by financing activities for the nine months ended September 30, 2022 was primarily attributable to net borrowings under our Credit Facility of \$199.4 million, primarily driven by incremental borrowings related to the acquisition of Flyers and increased working capital requirements, partially offset by \$48.7 million in purchases of our common stock and dividend payments of \$22.4 million. Net cash used in financing activities for the nine months ended September 30, 2021 was primarily driven by common stock repurchases of \$24.4 million, dividend payments on our common stock of \$21.2 million and net repayments of debt under our Credit Facility of \$16.2 million.

### **Critical Accounting Estimates**

The unaudited Condensed Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The significant accounting policies used are disclosed in Item 15 - Financial Statement Schedules, Note 1. Basis of Presentation, New Accounting Standards and Significant Accounting Policies to the Consolidated Financial Statements in our 2021 10-K report.

We make estimates and assumptions that affect the reported amounts on our unaudited Condensed Consolidated Financial Statements and accompanying Notes as of the date of the unaudited Condensed Consolidated Financial Statements. There have been no material changes to the Critical Accounting Estimates disclosed in our 2021 10-K report.

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

We assess accounting estimates that require consideration of forecasted financial information. Significant judgment is involved in performing these estimates as they are developed based on forecasted assumptions. As of September 30, 2022, the assumptions used in these assessments, particularly the expected growth rates, the profitability embedded in the projected cash flows provided by our legacy and newly acquired businesses, the discount rate and the market-based multiples, were defined based on available information considering current market volatility and geopolitical risks.

Based on the assessments performed, and supported by the available information as of September 30, 2022, we concluded that the carrying value of our long-lived assets and equity investments were recoverable and that the fair value of our land and aviation reporting units were not less than their respective carrying values. If our results differ significantly from our assumptions, such impact could potentially result in impairments.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no material changes to our exposures to commodity price, interest rate, or foreign currency risk since December 31, 2021. Please refer to our 2021 10-K Report for a complete discussion of our exposure to these risks.

For information about our derivative instruments at their respective fair value positions as of September 30, 2022, see Note 5. Derivative Instruments.

#### **Item 4. 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-Q 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 September 30, 2022.

##### **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 three months ended September 30, 2022.

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.

## Part II — Other Information

### Item 1. 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 10. Income Taxes and Note 13. Commitments and Contingencies within this 10-Q Report as well as Note 9. Commitments and Contingencies and Note 11. Income Taxes within Part IV. Item 15 - Notes to the Consolidated Financial Statements in our 2021 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. See Note 13. Commitments and Contingencies for additional information.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Issuer Purchases of Equity Securities

The following table presents information with respect to repurchases of common stock made by us during the periods presented (in thousands, except average price paid per share):

| Period               | Total Number of Shares Purchased <sup>(1)</sup> | 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 the Plans or Programs <sup>(2)</sup> |
|----------------------|---|------------------------------|--|---|
| 7/1/2022 - 7/31/2022 | —   | \$ —                         | —  | \$ 147,053  |
| 8/1/2022 - 8/31/2022 | —   | —                            | —  | 147,053   |
| 9/1/2022 - 9/30/2022 | —   | —                            | —  | 147,053   |
| Total                | —   | \$ —                         | —  | \$ 147,053  |

(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 March 2020, the Board approved a stock repurchase program authorizing \$200.0 million in common stock repurchases (the "2020 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 September 30, 2022, approximately \$147.1 million remains available for purchase under the 2020 Repurchase Program. The timing and amount of shares of common stock to be repurchased under the 2020 Repurchase Program will depend on market conditions, share price, securities law and other legal requirements and factors.

## Item 6. Exhibits

The exhibits set forth in the following index of exhibits are filed as part of this 10-Q Report:

| <b>Exhibit No.</b>   | <b>Description</b>  |
|----------------------|---|
| <a href="#">10.1</a> | Amendment No. 9 to the Fourth Amended and Restated Credit Agreement, dated as of July 12, 2022, 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 10.2 to our Quarterly Report on Form 10-Q filed on July 29, 2022).                         |
| <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> | Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.   |
| 101                  | The following materials from World Fuel Services Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, formatted in XBRL (Extensible Business Reporting Language); (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income and Comprehensive Income, (iii) Condensed Consolidated Statements of Shareholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements. |
| 104                  | Cover page interactive file (formatted in Inline XBRL and contained in Exhibit 101).  |

## Signatures

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

Date: October 28, 2022

World Fuel Services Corporation

/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



**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 Quarterly Report on Form 10-Q of World Fuel Services Corporation for the period ended September 30, 2022;
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-5(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: October 28, 2022

/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 Quarterly Report on Form 10-Q of World Fuel Services Corporation for the period ended September 30, 2022;
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: October 28, 2022

/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 Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2022 (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: October 28, 2022

/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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