



# STP Acquisition Investor Presentation

March 15, 2016



## Safe Harbor Provision



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Examples of forward-looking statements in this press release include statements relating to the anticipated consummation of the acquisition, its accretiveness to earnings, operating synergies, and its impact on future opportunities and long-term growth in electronic toll payments, and the impact on our liquidity. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement, such as failure to complete, or delays in completing, this acquisition or other anticipated new partnership arrangements or acquisitions; failure to successfully integrate or otherwise achieve anticipated benefits from this acquisition or other partnerships or acquired businesses; the impact of foreign exchange rates on acquisition prices, operations, revenue and income; fuel price and spread volatility; changes in credit risk of customers and associated losses; the actions of regulators relating to payment cards or resulting from investigations; failure to maintain or renew key business relationships; failure to maintain competitive offerings; failure to maintain or renew sources of financing; the effects of general economic conditions on fueling patterns and the commercial activity of fleets, as well as the other risks and uncertainties identified under the caption "Risk Factors" in FleetCor's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission on February 29, 2016. FleetCor believes these forward-looking statements are reasonable; however, forward-looking statements are not a guarantee of performance, and undue reliance should not be placed on such statements. The forward-looking statements included in this press release are made only as of the date hereof, and FleetCor does not undertake, and specifically disclaims, any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

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### STP Transaction Overview

Price	<ul style="list-style-type: none"><li>FleetCor signed a definitive agreement to acquire STP for approximately R\$4.2 billion Real or \$1.05 billion USD<sup>1</sup></li></ul>
Valuation	<ul style="list-style-type: none"><li>~11.5x 2015 EBITDA, adjusted for one-time items</li><li>~9.0x 2015 EBITDA post tax-deductible goodwill &amp; intangibles</li><li>Both multiples prior to synergies</li></ul>
Timing	<ul style="list-style-type: none"><li>Expected close in third quarter of 2016, subject to regulatory approval</li></ul>
Accretion	<ul style="list-style-type: none"><li>2016 annualized accretion estimate of approximately \$0.30 cash EPS ... \$0.10 - \$0.13 for calendar 2016 depending on timing of close</li></ul>
Leverage	<ul style="list-style-type: none"><li>Proforma leverage at Q3-16 of 2.9x, post acquisition</li></ul>

<sup>1</sup> FX of 4.00:1.00 BRL:USD used throughout the presentation.



### STP is Brazil's leading electronic toll payment provider, with expansion into parking & fuel payments

#### Overview

##### Automatic Toll



- Automatic vehicle ID & payment on toll roads
- Provides convenience & faster travel for users
- Improves vehicle flow & reduces traffic for merchants

##### Parking



- Ticketless payment in parking lots (malls, airports, etc.)
- Increases usage and retention of customers

#### 2015 Highlights

- 4.5 million active vehicles
- > 800 million transactions annually
- Approximately R\$745 million Real, \$186 million USD revenue
- Brazil-wide 99% toll coverage

##### Fuel



- Automatic payment at Shell sites
- Increases customer loyalty and station throughput
- Faster & easier than cash or card

- Acceptance at 240 parking lots (e.g. malls, airports)
- Acceptance at 400 Shell fueling stations
- > 1,500 sales & service personnel



### Brazil Toll Payments Market

#### Existing Toll Roads

- 2<sup>nd</sup> largest toll network globally
- ½ size of EU, 2x size of US

#### Toll Road Growth

- Announced new concessions potentially doubling toll road network in medium term
- First major expansion since 2010

#### Vehicles

- 7% annual historic growth (2010 – 2014)

#### Penetration

- Currently <10% of vehicles in Brazil
- Global major market benchmarks are > 25%

Source: Denetran, Associação Brasileira de Concessionárias de Rodovias.

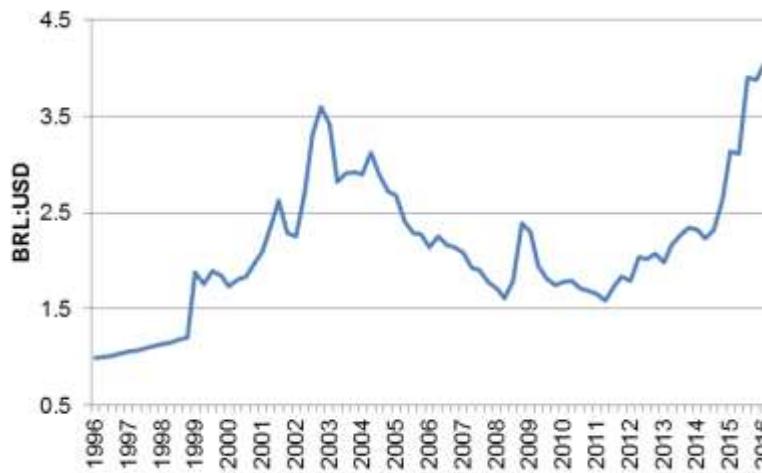


## Brazil Backdrop, cont.

Brazil is experiencing “difficult times” ... but STP has continued to power through the environmental headwinds

### Brazil Environment

- FX<sup>1</sup> ... at 20 year low



- GDP<sup>2</sup> growth ... currently negative:
  - 2014A = -1.9%
  - 2015A = -3.8%
  - 2016F = -3.0%

### STP Performance

- 2<sup>nd</sup> half 2015:
  - Tag volume growth 9%
  - Revenue growth 13%
- January 2016
  - Revenue growth 13%

<sup>1</sup> Source: Oanda.com, quarterly from March 1996 - 2016

<sup>2</sup> Source: World Bank, Bloomberg consensus forecast.



**Brazil is a large economy, with “superior” historical growth, improving mid-term prospects and a “very attractive” workforce payments market**

### Brazil Economy – Large & “Improving”

- Comparative GDP (2014):
  - Brazil – \$2.35 trillion
  - UK – \$2.99 trillion
  - Mexico – \$1.29 trillion
- Historical GDP growth<sup>1</sup>:

	<u>20yr CAGR</u>	<u>10yr CAGR</u>
World ex-China & US	2.5%	2.3%
Brazil	3.0%	3.4%
- GDP<sup>2</sup> growth forecast:
  - 2016 = -3.0%
  - 2017 = 1.0%

### Attractive Workforce Payments Market

- ✓ Many tax-advantaged workforce payment opportunities
  - Fuel cards
  - Food cards
  - Tolls
  - Payroll cards
  - Transport cards
- ✓ Low penetration ... “early days”
- ✓ No major oil company commercial fuel cards
- ✓ Favorable economics ... merchant discount, working capital neutral

<sup>1</sup> Source: US Economic Resource Service, [www.ers.usda.gov](http://www.ers.usda.gov), 20yr '94-'14, 10yr, '04-'14.

<sup>2</sup> Source: Bloomberg consensus forecast.



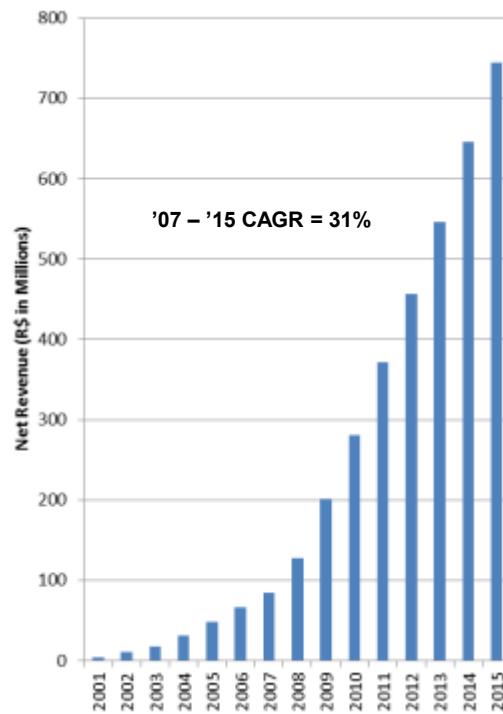
### FleetCor Strategic Rationale

1. EPS accretion
  - Immediate cash EPS accretion, with long term EPS growth potential
2. Brazil scale
  - Enhanced scale in Brazil to support our broader ambitions in workforce payments
  - STP has >1 million commercial vehicles to cross-sell fuel cards, food cards, etc.
3. Innovative fuel payments scheme
  - An innovative, card-less fuel payments solution with FleetCor's global partner, Shell



### STP's prospects for continued revenue & earnings growth are promising

#### Historic Net Revenue



#### 2015 STP Financials

- Revenue \$186 million USD
- EBITDA \$93 million USD

#### Drivers 2017 & Beyond

- New toll roads
- Sticker distribution opportunity
- Fuel project w/ Shell
- Synergies



## Leverage & Liquidity Implications



### PF Debt and Leverage at Q3-16<sup>1</sup> (\$B)

	FLT	PF FLT + STP
<b>Debt</b>	<b>\$2.1B</b>	<b>\$3.1B</b>
<b>Leverage</b>	<b>2.1x</b>	<b>2.9x</b>

Liquidity		
Sources		Uses
• Availability on existing facilities	\$850m	• STP \$1,050m
• Accordion	\$500m	• Other \$750m - Stock buy-backs - Other acquisitions
• Debt available	\$1,350m	• Total \$1,800m
• 3 quarters of free cash flow <sup>2</sup>	\$450m	
• Availability at Q3-16	\$1,800m	

<sup>1</sup> Assumes no stock buy-backs or additional acquisitions.

<sup>2</sup> Cash net income used as a proxy for free cash flow