

## FLEETCOR continues to eye buys amid strategic review, executive says

By Rachel Stone

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[LINK](#)

**FLEETCOR Technologies** [NYSE:FLT], a business payments service provider, is actively seeking acquisitions even as it undergoes a strategic review and considers divesting non-core assets, said Steve Greene, executive vice president of corporate development and strategy.

Atlanta-based FLEETCOR, which has long used acquisitions to fuel growth, expects to deploy about USD 1bn a year on acquisitions, Greene told this news service. It had USD 1.27bn in cash and cash equivalents as of 31 March, according to its first quarter earnings report.

The company has been focusing on [capability buys](#) but expects to turn attention back to more traditional accretive purchases, Greene said, with the caveat that the electric vehicle space is of “critical importance” and could remain an area of interest for acquisition.

Although it has executed smaller acquisitions recently, targets with hundreds of millions of dollars in revenue and at least USD 100m in EBITDA are a good floor to think about moving forward, Greene explained.

The company has targets in the pipeline in most geographies it serves but expects to remain focused on its core markets of North America, the UK, Europe and Brazil, he said. It is trying to exit Russia and has a business in the country that it is trying to sell, Greene added.

FLEETCOR in mid-March [entered into a cooperation agreement](#) with shareholder **D.E. Shaw Group**, which included the formation of an ad hoc committee to undertake a strategic portfolio review. It has said it will consider divestitures. Then-CFO Charles Freund told this news service last September that FLEETCOR could [consider making divestitures of non-core assets](#) and pointed to its gift card business, which is part of its prepaid cards unit.

*Bloomberg* reported in May the company had [engaged financial advisors](#) to work on a possible sale of its unit focused on prepaid cards, which could be valued at USD 500m-USD 1bn. For this report, Greene declined to comment on a financial advisor or the existence of discussions around the business unit. He did say FLEETCOR considers its prepaid business to be non-core.

**Goldman Sachs** is FLEETCOR’s financial advisor on the cooperation agreement, and **Jones Day** is its legal counsel.

D.E. Shaw most recently in fintech engaged with **FIS** [NYSE:FIS], which announced earlier this month that private equity firm **GTCR** agreed to [acquire a majority stake in Worldpay](#), a payment processing group owned by FIS.

FLEETCOR announced in May the hiring of CFO Tom Panther, who previously was the CFO of **EVO Payments** before its sale to **Global Payments** [NYSE:GPN]. In its press release, the company touted Panther's involvement in initiatives like "international M&A, debt and capital financings, and serving as a key advisor to the board regarding [EVO's] recent sale."

Greene said he and his around 10-person corporate development team are as busy as ever.

The company announced in February the acquisition of [Mina](#), a UK-based electric vehicle charging software platform, for what it called an immaterial amount. In October 2022, it announced the acquisition of [Roomex](#), an Ireland-based workforce lodging provider, for approximately USD 56.8m.

Greene expects M&A to remain muted for the higher-quality assets until there's more certainty in the macroeconomy. Rising interest rates in general dampen some activity in the market, he said.

Still, the executive said he was surprised to observe internally that deal flow is about the same year over year, but he said the quality of assets coming to market is down. The number of potential targets that FLEETCOR has wanted to engage with in the last six months is not as strong as it was 12 months ago, Greene said.

While multiples in the public market have compressed, especially in payments and fintech, the same amount of compression hasn't yet hit private companies, according to Greene. The next six to 12 months will be key to watch in that respect, particularly for companies that need to raise capital. He expects to continue to see some softening in private company multiples though noted they are still pretty healthy.

FLEETCOR had a market cap of USD 19.23bn at market close on 13 July.