UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2021

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: 001-35004

FLEETCOR Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**			**72-1074903** **(I.R.S. Employer Identification No.)**
3280 Peachtree Road **(Address of principal executive offices)**	**Atlanta**	**Georgia**	**30305** **(Zip Code)**

Registrant's telephone number, including area code: (770) 449-0479

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	FLT	NYSE

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 1, 2021
Common Stock, $0.001 par value	82,604,105

FLEETCOR TECHNOLOGIES, INC. AND SUBSIDIARIES

FORM 10-Q

For the Three and Six Months Ended June 30, 2021

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

FLEETCOR Technologies, Inc. and Subsidiaries

Consolidated Balance Sheets

(In Thousands, Except Share and Par Value Amounts)

	June 30, 2021 (Unaudited)	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 1,301,207	$ 934,900
Restricted cash	758,096	541,719
Accounts and other receivables (less allowance for credit losses of $92,100 at June 30, 2021 and $86,886 at December 31, 2020)	1,787,155	1,366,775
Securitized accounts receivable—restricted for securitization investors	1,000,000	700,000
Prepaid expenses and other current assets	407,685	412,924
Total current assets	5,254,143	3,956,318
Property and equipment, net	216,681	202,509
Goodwill	5,058,174	4,719,181
Other intangibles, net	2,265,574	2,115,882
Investments	11,857	7,480
Other assets	220,454	193,209
Total assets	$ 13,026,883	$ 11,194,579
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,578,266	$ 1,054,478
Accrued expenses	290,120	282,681
Customer deposits	1,570,190	1,175,322
Securitization facility	1,000,000	700,000
Current portion of notes payable and lines of credit	346,080	505,697
Other current liabilities	195,762	250,133
Total current liabilities	4,980,418	3,968,311
Notes payable and other obligations, less current portion	3,732,701	3,126,926
Deferred income taxes	565,856	498,154
Other noncurrent liabilities	259,061	245,777
Total noncurrent liabilities	4,557,618	3,870,857
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock, $0.001 par value; 475,000,000 shares authorized; 126,944,155 shares issued and 82,595,087 shares outstanding at June 30, 2021; and 126,448,078 shares issued and 83,666,163 shares outstanding at December 31, 2020	127	126
Additional paid-in capital	2,821,453	2,749,900
Retained earnings	5,797,431	5,416,945
Accumulated other comprehensive loss	(1,265,177)	(1,363,158)
Less treasury stock, 44,349,068 shares at June 30, 2021 and 42,781,915 shares at December 31, 2020	(3,864,987)	(3,448,402)
Total stockholders' equity	3,488,847	3,355,411
Total liabilities and stockholders' equity	$ 13,026,883	$ 11,194,579

See accompanying notes to unaudited consolidated financial statements.

FLEETCOR Technologies, Inc. and Subsidiaries

Unaudited Consolidated Statements of Income
(In Thousands, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues, net	$ 667,381	$ 525,146	$ 1,276,004	$ 1,186,239
Expenses:				
Processing	122,294	121,290	238,722	354,993
Selling	63,225	42,374	115,307	98,233
General and administrative	115,008	86,739	223,370	192,849
Depreciation and amortization	69,218	62,162	134,947	126,638
Other operating, net	24	(230)	81	(268)
Operating income	297,612	212,811	563,577	413,794
Investment gain	—	(33,709)	(9)	(31,338)
Other expense (income), net	408	2,480	2,151	(6,886)
Interest expense, net	34,685	32,412	63,236	68,091
Total other expense	35,093	1,183	65,378	29,867
Income before income taxes	262,519	211,628	498,199	383,927
Provision for income taxes	66,272	53,140	117,713	78,379
Net income	$ 196,247	$ 158,488	$ 380,486	$ 305,548
Basic earnings per share	$ 2.36	$ 1.89	$ 4.57	$ 3.62
Diluted earnings per share	$ 2.30	$ 1.83	$ 4.45	$ 3.50
Weighted average shares outstanding:				
Basic shares	83,141	83,895	83,307	84,399
Diluted shares	85,295	86,570	85,528	87,380

See accompanying notes to unaudited consolidated financial statements.

FLEETCOR Technologies, Inc. and Subsidiaries

Unaudited Consolidated Statements of Comprehensive Income (Loss)

(In Thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	$ 196,247	$ 158,488	$ 380,486	$ 305,548
Other comprehensive income (loss):				
Foreign currency translation gains (losses), net of tax	206,805	8,257	77,648	(566,861)
Net change in derivative contracts, net of tax	9,037	1,892	20,333	(42,649)
Total other comprehensive income (loss)	215,842	10,149	97,981	(609,510)
Total comprehensive income (loss)	$ 412,089	$ 168,637	$ 478,467	$ (303,962)

See accompanying notes to unaudited consolidated financial statements.

FLEETCOR Technologies, Inc. and Subsidiaries
Unaudited Consolidated Statements of Stockholders' Equity
(In Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2020	$ 126	$ 2,749,900	$ 5,416,945	$ (1,363,158)	$ (3,448,402)	$ 3,355,411
Net income	—	—	184,239	—	—	184,239
Other comprehensive loss, net of tax	—	—	—	(117,861)	—	(117,861)
Acquisition of common stock	—	—	—	—	(170,382)	(170,382)
Share-based compensation	—	17,747	—	—	—	17,747
Issuance of common stock	1	27,344	—	—	—	27,345
Balance at March 31, 2021	127	2,794,991	5,601,184	(1,481,019)	(3,618,784)	3,296,499
Net income	—	—	196,247	—	—	196,247
Other comprehensive income, net of tax	—	—	—	215,842	—	215,842
Acquisition of common stock	—	—	—	—	(246,203)	(246,203)
Share-based compensation	—	17,885	—	—	—	17,885
Issuance of common stock		8,577	—	—	—	8,577
Balance at June 30, 2021	$ 127	$ 2,821,453	$ 5,797,431	$ (1,265,177)	$ (3,864,987)	$ 3,488,847

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2019	$ 124	$ 2,494,721	$ 4,712,729	$ (972,465)	$ (2,523,493)	$ 3,711,616
Net income	—	—	147,060	—	—	147,060
Other comprehensive loss, net of tax	—	—	—	(619,659)	—	(619,659)
Acquisition of common stock	—	75,000	—	—	(605,237)	(530,237)
Share-based compensation	—	14,175	—	—	—	14,175
Issuance of common stock	1	73,273	—	—	—	73,274
Balance at March 31, 2020	125	2,657,169	4,859,789	(1,592,124)	(3,128,730)	2,796,229
Net income	—	—	158,488	—	—	158,488
Other comprehensive income, net of tax	—	—	—	10,149	—	10,149
Acquisition of common stock	—	—	—	—	(32,230)	(32,230)
Share-based compensation	—	8,989	—	—	—	8,989
Issuance of common stock	1	24,808	—	—	—	24,809
Balance at June 30, 2020	$ 126	$ 2,690,966	$ 5,018,277	$ (1,581,975)	$ (3,160,960)	$ 2,966,434

See accompanying notes to unaudited consolidated financial statements.

FLEETCOR Technologies, Inc. and Subsidiaries
Unaudited Consolidated Statements of Cash Flows
(In Thousands)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating activities		
Net income	$ 380,486	$ 305,548
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	36,094	31,607
Stock-based compensation	35,632	23,164
Provision for credit losses on accounts and other receivables	8,521	139,000
Amortization of deferred financing costs and discounts	3,248	2,886
Amortization of intangible assets and premium on receivables	98,853	95,031
Loss on extinguishment of debt	6,230	—
Deferred income taxes	12,897	(8,730)
Investment gain	(9)	(31,338)
Other	81	(268)
Changes in operating assets and liabilities (net of acquisitions/dispositions):		
Accounts and other receivables	(706,574)	359,685
Prepaid expenses and other current assets	115,239	46,216
Other assets	20,715	828
Accounts payable, accrued expenses and customer deposits	345,029	(161,461)
Net cash provided by operating activities	356,442	802,168
Investing activities		
Acquisitions, net of cash acquired	(114,994)	(492)
Purchases of property and equipment	(45,765)	(36,870)
Other	(2,281)	—
Net cash used in investing activities	(163,040)	(37,362)
Financing activities		
Proceeds from issuance of common stock	35,921	92,977
Repurchase of common stock	(416,585)	(557,361)
Borrowings (payments) on securitization facility, net	300,000	(316,973)
Deferred financing costs and debt discount	(21,039)	(974)
Proceeds from notes payable	1,150,000	—
Principal payments on notes payable	(419,250)	(92,910)
Borrowings from revolver	405,000	573,500
Payments on revolver	(623,851)	(726,644)
Payments on swing line of credit, net	(51,157)	(3,879)
Other	(366)	(169)
Net cash provided by (used in) financing activities	358,673	(1,032,433)
Effect of foreign currency exchange rates on cash	30,609	(216,264)
Net increase (decrease) in cash and cash equivalents and restricted cash	582,684	(483,891)
Cash and cash equivalents and restricted cash, beginning of period	1,476,619	1,675,237
Cash and cash equivalents and restricted cash, end of period	$ 2,059,303	$ 1,191,346
Supplemental cash flow information		
Cash paid for interest	$ 54,818	$ 68,454
Cash paid for income taxes	$ 113,969	$ 56,790

See accompanying notes to unaudited consolidated financial statements.

1. Summary of Significant Accounting Policies

Basis of Presentation

Throughout this Current Report on Form 10-Q, the terms "our," "we," "us," and the "Company" refers to FLEETCOR Technologies, Inc. and its subsidiaries. The Company prepared the accompanying unaudited interim consolidated financial statements in accordance with Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States ("GAAP"). The unaudited interim consolidated financial statements reflect all adjustments considered necessary for fair presentation. These adjustments consist of normal recurring accruals and estimates that impact the carrying value of assets and liabilities. Actual results may differ from these estimates.

The unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. These financial statements were prepared using information reasonably available as of June 30, 2021 and through the date of this Report. The accounting estimates used in the preparation of the Company's consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes. Actual results may differ from these estimates due to the uncertainty around the magnitude and duration of the COVID-19 pandemic, as well as other factors.

Foreign Currency Translation

Assets and liabilities of foreign subsidiaries are translated into U.S. dollars at the rates of exchange in effect at period-end. The related translation adjustments are recorded to accumulated other comprehensive income. Income and expenses are translated at the average monthly rates of exchange in effect during the year. Gains and losses from foreign currency transactions of these subsidiaries are included in net income. The Company recognized foreign exchange gains (losses), which are recorded within other expense (income), net in the Unaudited Consolidated Statements of Income for the three and six months ended June 30 as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Foreign exchange (losses)	$ (0.6)	$ (2.4)	$ (1.7)	$ (0.5)

The Company recorded foreign currency gains on long-term intra-entity transactions included as a component of foreign currency translation losses, net of tax, in the Unaudited Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30 as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Foreign currency gains on long-term intra-entity transactions	$ 92.2	$ 21.4	$ 25.8	$ 185.5

Derivatives

The Company uses derivatives to minimize its exposures related to changes in interest rates and to facilitate cross-currency corporate payments by writing derivatives to customers.

The Company is exposed to the risk of changing interest rates because its borrowings are subject to variable interest rates. In order to mitigate this risk, the Company utilizes derivative instruments. Interest rate swap contracts designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. The Company hedges a portion of its variable rate debt utilizing derivatives designated as cash flow hedges.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded to the derivative assets/liabilities and offset against accumulated other comprehensive income (loss), net of tax. Derivative fair value changes that are recorded in accumulated other comprehensive income (loss) are reclassified to earnings in the same period or periods that the hedged item affects earnings, to the extent the derivative is effective in offsetting the change in cash flows attributable to the hedged risk. The portions of the change in fair value that are either considered ineffective or are excluded from the measure of effectiveness are recognized immediately within earnings.

In the Company's cross-border payments business, the majority of revenue is from exchanges of currency at spot rates, which enables customers to make cross-currency payments. In addition, the Company writes foreign currency forward and option contracts for its customers to facilitate future payments. The duration of these derivative contracts at inception is generally less than one year. The Company aggregates its foreign exchange exposures arising from customer contracts, including forwards, options and spot exchanges of currency, as necessary, and economically hedges the net currency risks by entering into offsetting derivatives with established financial institution counterparties. The changes in fair value of these derivatives are recorded in revenues, net in the Unaudited Consolidated Statements of Income.

The Company recognizes current cross-border payments derivatives in prepaid expense and other current assets and other current liabilities and derivatives greater than one year in other assets and other noncurrent liabilities in the accompanying Consolidated Balance Sheets at their fair value. All cash flows associated with derivatives are included in cash flows from operating activities in the Unaudited Consolidated Statements of Cash Flows. Refer to Note 13.

Cash, Cash Equivalents, and Restricted Cash

Cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less. Restricted cash represents customer deposits repayable on demand, as well as collateral received from customers for cross-currency transactions in our cross-border payments business, which are restricted from use other than to repay customer deposits, as well as secure and settle cross-currency transactions.

Financial Instruments - Credit Losses

The Company accounts for financial assets' expected credit losses in accordance with ASC 326. The Company’s financial assets subject to credit losses are primarily trade receivables. The Company utilizes a combination of aging and loss-rate methods to develop an estimate of current expected credit losses, depending on the nature and risk profile of the underlying asset pool, based on product, size of customer and historical losses. Expected credit losses are estimated based upon an assessment of risk characteristics, historical payment experience, and the age of outstanding receivables, adjusted for forward-looking economic conditions. The allowances for remaining financial assets measured at amortized cost basis are evaluated based on underlying financial condition, credit history, and current and forward-looking economic conditions. The estimation process for expected credit losses includes consideration of qualitative and quantitative risk factors associated with the age of asset balances, expected timing of payment, contract terms and conditions, changes in specific customer risk profiles or mix of customers, geographic risk, economic trends and relevant environmental factors.

Revenue

The Company provides payment solutions to our business, merchant, consumer and payment network customers. Our payment solutions are primarily focused on specific commercial spend categories, including Corporate Payments, Fuel, Lodging, Tolls, as well as Gift (stored value cards and e-cards). The Company provides solutions that help businesses of all sizes control, simplify and secure payment of various domestic and cross-border payables using specialized payment solutions. The Company also provides other payment solutions for fleet maintenance, employee benefits and long haul transportation-related services. Revenues from contracts with customers, within the scope of ASC 606, represent approximately 75% of total consolidated revenues, net, for both the three and six months ended June 30, 2021. The Company accounts for revenues comprised of late fees and finance charges, in jurisdictions where permitted under local regulations, primarily in the U.S. and Canada in accordance with ASC 310, "Receivables". Such fees are recognized net of a provision for estimated uncollectible amounts, at the time the fees and finance charges are assessed and services are provided. The Company also writes foreign currency forward and option contracts for its customers to facilitate future payments in foreign currencies, and recognizes revenue in accordance with authoritative fair value and derivatives accounting (ASC 815, "Derivatives").

Disaggregation of Revenues

The Company provides its services to customers across different payment solutions and geographies. Revenue by solution (in millions) for the three and six months ended June 30 was as follows:

Revenues, net by Solution Category*	**Three Months Ended June 30,**				**Six Months Ended June 30,**			
	2021	**%**	**2020**	**%**	**2021**	**%**	**2020**	**%**
Fuel	$ 295.1	44 %	$ 249.8	48 %	$ 557.0	44 %	$ 541.9	46 %
Corporate Payments	140.4	21 %	92.6	18 %	256.8	20 %	212.5	18 %
Tolls	71.3	11 %	64.8	12 %	140.3	11 %	147.8	12 %
Lodging	62.2	9 %	40.6	8 %	121.3	10 %	97.6	8 %
Gift	32.3	5 %	26.5	5 %	75.7	6 %	68.9	6 %
Other	66.0	10 %	50.8	10 %	124.9	10 %	117.5	10 %
Consolidated revenues, net	667.4	100 %	525.1	100 %	$ 1,276.0	100 %	$ 1,186.2	100 %

*Columns may not calculate due to rounding.

Revenue by geography (in millions) for the three and six months ended June 30 was as follows:

Revenues, net by Geography*	**Three Months Ended June 30,**				**Six Months Ended June 30,**			
	2021	**%**	**2020**	**%**	**2021**	**%**	**2020**	**%**
United States	$ 412.7	62 %	$ 334.9	64 %	$ 783.3	61 %	$ 732.8	62 %
Brazil	85.7	13 %	75.1	14 %	167.6	13 %	174.1	15 %
United Kingdom	83.6	13 %	49.0	9 %	159.2	12 %	122.6	10 %
Other	85.4	13 %	66.1	13 %	166.0	13 %	156.7	13 %
Consolidated revenues, net	$ 667.4	100 %	$ 525.1	100 %	$ 1,276.0	100 %	$ 1,186.2	100 %

*Columns may not calculate due to rounding.

Contract Liabilities

Deferred revenue contract liabilities for customers subject to ASC 606 were $66.3 million and $73.0 million as of June 30, 2021 and December 31, 2020, respectively. We expect to recognize approximately $41.4 million of these amounts in revenues within 12 months and the remaining $24.9 million over the next five years as of June 30, 2021. Revenue recognized in the six months ended June 30, 2021 that was included in the deferred revenue contract liability as of December 31, 2020 was approximately $27.7 million.

Spot Trade Offsetting

The Company uses spot trades to facilitate cross-currency corporate payments in its cross-border payments business. In accordance with ASC Subtopic 210-20, "Offsetting," the Company applies offsetting to spot trade assets and liabilities associated with contracts that include master netting agreements, as a right of setoff exists, which the Company believes to be enforceable. As such, the Company has netted spot trade liabilities against spot trade receivables at the counter-party level. The Company recognizes all spot trade assets, net in accounts receivable and all spot trade liabilities, net in accounts payable, each net at the customer level, in its Consolidated Balance Sheets at their fair value. The following table presents the Company’s spot trade assets and liabilities at their fair value at June 30, 2021 and December 31, 2020 (in millions):

	June 30, 2021			**December 31, 2020**		
	Gross	Offset on the Balance Sheet	Net	Gross	Offset on the Balance Sheet	Net
Assets						
Accounts Receivable	$ 2,330.2	$ (2,239.7)	$ 90.5	$ 521.5	$ (478.2)	$ 43.3
Liabilities						
Accounts Payable	$ 2,285.0	$ (2,239.7)	$ 45.3	$ 527.5	$ (478.2)	$ 49.3

Adoption of New Accounting Standards

Income Taxes

On December 18, 2019, the Financial Accounting Standards Board (FASB) issued ASU 2019-12, Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes (“ASU 2019-12”), which removes certain exceptions to the general principles of ASC 740 and simplifies other areas. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, with early adoption permitted. The Company adopted this guidance on January 1, 2021, which did not have a material impact on the Company's results of operations, financial condition, or cash flows.

Pending Adoption of Recently Issued Accounting Standard

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848) ("ASU 2020-04"), which provides optional expedients and exceptions to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference London Inter-bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022 for which an entity has elected certain optional expedients and are retained through the end of the hedging relationship. The amendments in this update also include a general principle that permits an entity to consider contract modifications due to reference rate reform to be an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination. If elected, the optional expedients for contract modifications must be applied consistently for all eligible contracts or eligible transactions within the relevant ASC Topic or Industry Subtopic that contains the guidance that otherwise would be required to be applied. The amendments in this update were effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is evaluating the effect of ASU 2020-04 on interest rate swap contracts. Cross currency derivatives are not impacted by this ASU.

2. Accounts and Other Receivables

The Company's accounts and securitized accounts receivable include the following at June 30, 2021 and December 31, 2020 (in thousands):

	June 30, 2021	December 31, 2020
Gross domestic accounts receivable	$ 912,289	$ 719,675
Gross domestic securitized accounts receivable	1,000,000	700,000
Gross foreign receivables	966,966	733,986
Total gross receivables	2,879,255	2,153,661
Less allowance for credit losses	(92,100)	(86,886)
Net accounts and securitized accounts receivable	$ 2,787,155	$ 2,066,775

The Company maintains a $1 billion revolving trade accounts receivable securitization facility (the "Securitization Facility"). Accounts receivable collateralized within our Securitization Facility primarily relate to trade receivables resulting from charge card activity in the U.S. Pursuant to the terms of the Securitization Facility, the Company transfers certain of its domestic receivables, on a revolving basis, to FLEETCOR Funding LLC (Funding), a wholly-owned bankruptcy remote subsidiary. In turn, Funding transfers, without recourse, on a revolving basis, an undivided ownership interest in this pool of accounts receivable to multi-seller banks and asset-backed commercial paper conduits (Conduit). Funding maintains a subordinated interest, in the form of over-collateralization, in a portion of the receivables sold. Purchases by the Conduit are financed with the sale of highly-rated commercial paper.

The Company utilizes proceeds from the transferred assets as an alternative to other forms of financing to reduce its overall borrowing costs. The Company has agreed to continue servicing the sold receivables for the financial institution at market rates, which approximates the Company’s cost of servicing. The Company retains a residual interest in the transferred asset as a form of credit enhancement. The residual interest’s fair value approximates carrying value due to its short-term nature. Funding determines the level of funding achieved by the sale of trade accounts receivable, subject to a maximum amount.

The Company’s Consolidated Balance Sheets and Statements of Income reflect the activity related to securitized accounts receivable and the corresponding securitized debt, including interest income, fees generated from late payments, provision for losses on accounts receivable and interest expense. The cash flows from borrowings and repayments associated with the securitized debt are presented as cash flows from financing activities. On March 29, 2021, the Company entered into the eighth amendment to the Securitization Facility. The amendment included a new three year maturity date, reduced the LIBOR floor to 0 bps, improved margins, and increased the swing line from $100 million to $250 million. The maturity date for the Company's Securitization Facility is March 29, 2024.

The Company recorded a $90.1 million provision for credit losses and write-off related to a customer receivable in our foreign currency trading business during the first quarter of 2020. The Company's estimated expected credit losses as of June 30, 2021 included estimated adjustments for economic conditions related to COVID-19. A rollforward of the Company's allowance for credit losses related to accounts receivable for the six months ended June 30 is as follows (in thousands):

	2021	2020
Allowance for credit losses beginning of period	$ 86,886	$ 70,890
Provision for credit losses	8,521	139,000
Write-offs	(14,878)	(119,210)
Recoveries[1]	9,956	5,443
Impact of foreign currency[1]	1,615	(7,759)
Allowance for credit losses end of period	$ 92,100	$ 88,364

[1]Comparable disclosure provided to conform with 2021 presentation. Activity previously included within write-offs.

3. Fair Value Measurements

Fair value is a market-based measurement that reflects assumptions that market participants would use in pricing an asset or liability. GAAP discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

As the basis for evaluating such inputs, a three-tier value hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following table presents the Company’s financial assets and liabilities which are measured at fair value on a recurring basis at June 30, 2021 and December 31, 2020, (in thousands):

	Fair Value	Level 1	Level 2	Level 3
June 30, 2021				
Assets:				
Repurchase agreements	$ 428,545	$ —	$ 428,545	$ —
Money market	43,739	—	43,739	—
Certificates of deposit	928	—	928	—
Foreign exchange contracts	165,840	—	165,840	—
Total assets	$ 639,052	$ —	$ 639,052	$ —
Cash collateral for foreign exchange contracts	$ 39,534	$ —	$ —	$ —
Liabilities:				
Interest rate swaps	$ 60,987	$ —	$ 60,987	—
Foreign exchange contracts	115,381	—	115,381	—
Total liabilities	$ 176,368	$ —	$ 176,368	$ —
Cash collateral obligation for foreign exchange contracts	$ 49,721	$ —	$ —	$ —
December 31, 2020				
Assets:				
Repurchase agreements	$ 446,116	$ —	$ 446,116	$ —
Money market	48,227	—	48,227	—
Certificates of deposit	188	—	188	—
Foreign exchange contracts	155,846	—	155,846	—
Total assets	$ 650,377	$ —	$ 650,377	$ —
Cash collateral for foreign exchange contracts	$ 18,229	$ —	$ —	$ —
Liabilities:				
Interest rate swaps	$ 87,873	$ —	$ 87,873	$ —
Foreign exchange contracts	140,272	—	140,272	—
Total liabilities	$ 228,145	$ —	$ 228,145	$ —
Cash collateral obligation for foreign exchange contracts	$ 38,569	$ —	$ —	$ —

The Company has highly-liquid investments classified as cash equivalents, with original maturities of 90 days or less, included in our Consolidated Balance Sheets. The Company utilizes Level 2 fair value determinations derived from directly or indirectly observable (market based) information to determine the fair value of these highly liquid investments. The Company has certain cash and cash equivalents that are invested on an overnight basis in repurchase agreements, money markets and certificates of deposit. The value of overnight repurchase agreements is determined based upon the quoted market prices for the treasury securities associated with the repurchase agreements. The value of money market instruments is determined based upon the financial institutions' month-end statement, as these instruments are not tradable and must be settled directly by us with the respective financial institution. Certificates of deposit are valued at cost, plus interest accrued. Given the short-term nature of these instruments, the carrying value approximates fair value. Foreign exchange derivative contracts are carried at fair value, with changes in fair value recognized in the Consolidated Statements of Income. The fair value of the Company's derivatives is derived with reference to a valuation from a derivatives dealer operating in an active market, which approximates the fair value of these instruments. The fair value represents the net settlement if the contracts were terminated as of the reporting date. Cash collateral received for foreign exchange derivatives is recorded within customer deposits in our Unaudited Consolidated Balance Sheet at June 30, 2021. Cash collateral deposited for foreign exchange derivatives is recorded within restricted cash in our Unaudited Consolidated Balance Sheet at June 30, 2021.

The level within the fair value hierarchy and the measurement technique are reviewed quarterly. Transfers between levels are deemed to have occurred at the end of the quarter. There were no transfers between fair value levels during the periods presented for June 30, 2021 and December 31, 2020.

The Company’s assets that are measured at fair value on a nonrecurring basis or are evaluated with periodic testing for impairment include property, plant and equipment, investments, goodwill and other intangible assets. Estimates of the fair value of assets acquired and liabilities assumed in business combinations are generally developed using key inputs such as management's projections of cash flows on a held-and-used basis (if applicable), discounted as appropriate, management's projections of cash flows upon disposition and discount rates. Accordingly, these fair value measurements are in Level 3 of the fair value hierarchy.

The Company determines the fair values of its derivatives based on quoted market prices or pricing models using current market rates. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates, foreign currency exchange rates, commodity rates or other financial indices. The Company's derivatives are over-the-counter instruments with liquid markets.

The Company regularly evaluates the carrying value of its investments. The carrying amount of investments without readily determinable fair values is $11.9 million at June 30, 2021.

The fair value of the Company's accounts receivable, securitized accounts receivable and related facility, prepaid expenses and other current assets, accounts payable, accrued expenses, customer deposits and short-term borrowings approximate their respective carrying values due to the short-term maturities of the instruments. The carrying value of the Company's debt obligations approximates fair value as the interest rates on the debt are variable market based interest rates that reset on a quarterly basis. These are each Level 2 fair value measurements.

4. Stockholders' Equity

The Company's Board of Directors (the "Board") has approved a stock repurchase program (as updated from time to time, the "Program") authorizing the Company to repurchase its common stock from time to time until February 1, 2023. On July 27, 2021, the Board increased the aggregate size of the Program by $1 billion, to $5.1 billion, leaving the Company up to $1.6 billion available under the Program for future repurchases in shares of its common stock. Since the beginning of the Program through June 30, 2021, 16,184,095 shares have been repurchased for an aggregate purchase price of $3.5 billion.

Any stock repurchases may be made at times and in such amounts as deemed appropriate. The timing and amount of stock repurchases, if any, will depend on a variety of factors including the stock price, market conditions, corporate and regulatory requirements, and any additional constraints related to material inside information the Company may possess. Any repurchases have been and are expected to be funded by a combination of available cash flow from the business, working capital and debt.

5. Stock-Based Compensation

The Company has a Stock Incentive Plan (the "Plan") which permits the Company's Board of Directors to grant share based payment awards to employees and directors.

The table below summarizes the expense related to share-based payments recognized in the three and six months ended June 30 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Stock options	$ 5,012	$ 5,755	$ 9,602	$ 12,774
Restricted stock	12,873	3,235	26,030	10,390
Stock-based compensation	$ 17,885	$ 8,990	$ 35,632	$ 23,164

The tax benefits recorded on stock based compensation were $24.5 million and $37.4 million for the six months ended June 30, 2021 and 2020, respectively.

The following table summarizes the Company's total unrecognized compensation cost related to stock-based compensation as of June 30, 2021 (cost in thousands):

	Unrecognized Compensation Cost	Weighted Average Period of Expense Recognition (in Years)
Stock options	$ 39,904	2.52
Restricted stock	53,876	2.18
Total	$ 93,780	

Stock Options

Stock options are granted with an exercise price estimated to be equal to the fair market value on the date of grant as authorized by the Company's Board of Directors. Options granted have vesting provisions ranging from one to five years and vesting of the options is generally based on the passage of time or performance. Stock option grants are subject to forfeiture if employment terminates prior to vesting.

The following summarizes the changes in the number of shares of common stock under option for the six months ended June 30, 2021 (shares/options and aggregate intrinsic value in thousands):

	Shares	Weighted Average Exercise Price	Options Exercisable at End of Period	Weighted Average Exercise Price of Exercisable Options	Weighted Average Fair Value of Options Granted During the Period	Aggregate Intrinsic Value
Outstanding at December 31, 2020	4,964	$ 146.69	3,994	$ 130.37		$ 626,107
Granted	162	264.59			$ 81.04	
Exercised	(432)	81.73				75,305
Forfeited	(10)	236.67				
Outstanding at June 30, 2021	4,684	$ 156.56	3,791	$ 141.34		$ 465,987
Expected to vest as of June 30, 2021	893	$ 221.19				

The aggregate intrinsic value of stock options exercisable at June 30, 2021 was $434.9 million. The weighted average remaining contractual term of options exercisable at June 30, 2021 was 4.7 years.

The fair value of stock option awards granted was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions for grants or modifications during the six months ended June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
Risk-free interest rate	0.34 %	0.38 %
Dividend yield	—	—
Expected volatility	35.08 %	30.88 %
Expected life (in years)	3.8	3.9

Restricted Stock

Awards of restricted stock and restricted stock units are independent of stock option grants and are subject to forfeiture if employment terminates prior to vesting. The vesting of shares granted is generally based on the passage of time, performance or market conditions, or a combination of these. Shares vesting based on the passage of time have vesting provisions of one to four years.

The following table summarizes the changes in the number of shares of restricted stock and restricted stock units for the six months ended June 30, 2021 (shares in thousands):

	Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2020	174	$ 265.29
Granted	210	272.99
Vested	(64)	258.39
Canceled or forfeited	(26)	285.05
Outstanding at June 30, 2021	294	$ 270.48

6. Acquisitions

2021 Acquisitions

AFEX

On June 1, 2021, the Company completed the acquisition of Associated Foreign Exchange (AFEX), a U.S. based, cross-border payment solutions provider for $418.7 million. This includes $210.3 million of cash and cash equivalents and $178.7 million of restricted cash, resulting in a net purchase price of $29.7 million. The purpose of this acquisition is to further expand the Company's cross border payment solutions. The Company financed the acquisition using a combination of available cash and borrowings under its existing credit facility. The results from the acquisition are reported in the North America segment.

In connection with this acquisition, the Company signed noncompete agreements with certain parties affiliated with the business for which the Company is still completing the valuation. These noncompete agreements were accounted for separately from the business acquisition. Acquisition accounting for AFEX is preliminary as the Company is still completing the valuation for goodwill, intangible assets, derivatives, income taxes, working capital, and evaluation of acquired contingencies.

The following table summarizes the preliminary acquisition accounting for AFEX (in thousands):

Current assets	$	116,762
Long term assets		49,131
Goodwill		265,910
Intangibles		184,200
Current liabilities		(490,839)
Noncurrent liabilities		(95,508)
Aggregate purchase price	$	29,656

Roger

On January 13, 2021, the Company completed the acquisition of Roger, rebranded CorpayOne, a global accounts payable (AP) cloud software platform for small businesses, for $39.0 million, net of cash acquired. The Company financed the acquisition using a combination of available cash and borrowings under its existing credit facility. The results from the acquisition are reported in the North America segment. Acquisition accounting for Roger is preliminary as the Company is still completing the valuation for goodwill, intangible assets, income taxes, working capital, and evaluation of acquired contingencies.

The following table summarizes the preliminary acquisition accounting for Roger (in thousands):

Accounts and other receivables	$	110
Prepaid expenses and other current assets		37
Other assets		28
Goodwill		34,533
Other intangibles		6,900
Current liabilities		(925)
Deferred income taxes		(1,691)
Aggregate purchase price	$	38,992

The estimated fair value of intangible assets acquired and the related estimated useful lives consisted of the following (in thousands):

	Useful Lives (in Years)		Value
Proprietary Technology	10	$	5,600
Customer Relationships	9		1,300
		$	6,900

Other

During 2021, the Company made investments in other businesses of $4.4 million. The Company financed the investments using a combination of available cash and borrowings under its existing credit facility.

On July 28, 2021, the Company signed a definitive agreement to acquire ALE Solutions, Inc. (ALE), a U.S. based leader in lodging solutions to the insurance industry, for approximately $400 million. The transaction is expected to close during the third quarter of 2021, subject to regulatory approval and closing conditions.

2020 Acquisitions

On August 10, 2020, the Company completed the acquisition of a business in the lodging space in the U.S. The results from the acquisition are reported in the North America segment. On November 30, 2020, the Company completed the acquisition of a fuel card provider in New Zealand. The results from the acquisition are reported in the International segment. The aggregate purchase price of these acquisitions was approximately $78.4 million, net of cash acquired. The Company financed these acquisitions using a combination of available cash and borrowings under its existing credit facility. The Company signed noncompete agreements with certain parties affiliated with the lodging business with an estimated fair value of $3.8 million. These noncompete agreements were accounted for separately from the business acquisitions.

The following table summarizes the preliminary acquisition accounting (in thousands):

Accounts and other receivables	$	5,487
Prepaid expenses and other current assets		930
Property and equipment		3,178
Other assets		1,049
Goodwill		27,526
Other intangibles		42,144
Current liabilities		(1,147)
Deferred income taxes		(782)
Aggregate purchase price	$	78,385

The estimated fair value of intangible assets acquired and the related estimated useful lives consisted of the following (in thousands):

	Useful Lives (in Years)		Value
Trade Name and Trademarks	5	$	2,161
Licensed Software and Technology	10		4,400
Proprietary Technology	5		8,400
Supplier Network	10		783
Customer Relationships	16		26,400
		$	42,144

The accounting for these acquisitions is preliminary as the Company is still completing the valuation of certain goodwill, intangible assets, income taxes and working capital adjustments.

7. Goodwill and Other Intangibles

A summary of changes in the Company's goodwill by reportable business segment is as follows (in thousands):

		December 31, 2020		Acquisitions		Acquisition Accounting Adjustments		Foreign Currency		June 30, 2021
Segment										
North America	$	3,400,772	$	300,098	$	230	$	11,003	$	3,712,103
Brazil		585,861		—		—		26,203		612,064
International		732,548		—		(1,294)		2,753		734,007
	$	4,719,181	$	300,098	$	(1,064)	$	39,959	$	5,058,174

As of June 30, 2021 and December 31, 2020, other intangibles consisted of the following (in thousands):

		June 30, 2021			December 31, 2020		
	Weighted-Avg Useful Lives (Years)	Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amount
Customer and vendor relationships	16.2	$ 2,770,777	$ (1,103,630)	$ 1,667,147	$ 2,671,104	$ (1,105,702)	$ 1,565,402
Trade names and trademarks—indefinite lived	N/A	462,153	—	462,153	475,376	—	475,376
Trade names and trademarks—other	6.4	12,202	(3,670)	8,532	7,041	(3,431)	3,610
Software	5.6	267,255	(191,874)	75,381	248,686	(194,187)	54,499
Non-compete agreements	2.6	99,059	(46,698)	52,361	65,804	(48,809)	16,995
Total other intangibles		$ 3,611,446	$ (1,345,872)	$ 2,265,574	$ 3,468,011	$ (1,352,129)	$ 2,115,882

Changes in foreign exchange rates resulted in a $10.7 million increase to the net carrying values of other intangibles in the six months ended June 30, 2021. Amortization expense related to intangible assets for the six months ended June 30, 2021 and 2020 was $97.3 million and $92.8 million, respectively.

8. Debt

The Company's debt instruments consist primarily of term loans, revolving lines of credit and a Securitization Facility as follows (in thousands):

	June 30, 2021	December 31, 2020
Term Loan A note payable (a), net of discounts	$ 2,842,618	$ 2,922,042
Term Loan B note payable (a), net of discounts	1,136,283	337,347
Revolving line of credit A Facility (a)	75,000	280,000
Revolving line of credit B Facility (a)	—	13,650
Revolving line of credit B Facility —foreign swing line (a)	—	50,028
Other obligations (c)	24,880	29,556
Total notes payable and other obligations	$ 4,078,781	$ 3,632,623
Securitization Facility (b)	1,000,000	700,000
Total notes payable, credit agreements and Securitization Facility	$ 5,078,781	$ 4,332,623
Current portion	$ 1,346,080	$ 1,205,697
Long-term portion	3,732,701	3,126,926
Total notes payable, credit agreements and Securitization Facility	$ 5,078,781	$ 4,332,623

(a) The Company has a Credit Agreement that provides for senior secured credit facilities (collectively, the "Credit Facility") consisting of a revolving credit facility in the amount of $1.285 billion, a term loan A facility in the amount of $3.225 billion and a term loan B facility in the amount of $1.150 billion as of June 30, 2021. The revolving credit facility consists of (a) a revolving A credit facility in the amount of $800 million, with sublimits for letters of credit and swing line loans, (b) a revolving B facility in the amount of $450 million with borrowings in U.S. dollars, euros, British pounds, Japanese yen or other currency as agreed in advance, and a sublimit for swing line loans, and (c) a revolving C facility in the amount of $35 million for borrowings in U.S. dollars, Australian dollars or New Zealand dollars. The Credit Agreement also includes an accordion feature for borrowing an additional $750 million in term loan A, term loan B, revolving A or revolving B facility debt and an unlimited amount when the leverage ratio on a pro-forma basis is less than 3.00 to 1.00. Proceeds from the credit facilities may be used for working capital purposes, acquisitions, and other general corporate purposes. The maturity date for the term loan A and revolving facilities is December 19, 2023. On April 30, 2021, the Company entered into the ninth amendment to the Credit Agreement. The amendment provided for a new seven-year $1.15 billion term loan B. The existing term loan B was paid off with proceeds from the new term loan B. The new term loan B has a maturity date of April 30, 2028, and interest rates remain unchanged.

Interest on amounts outstanding under the Credit Agreement (other than the term loan B) accrues based on the British Bankers Association LIBOR Rate (the "Eurocurrency Rate"), plus a margin based on a leverage ratio, or at our option, the Base Rate (defined as the rate equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the prime rate announced by Bank of America, N.A., or (c) the Eurocurrency Rate plus 1.00%) plus a margin based on a leverage ratio. Interest on the term loan B facility accrues based on the Eurocurrency Rate plus 1.75% for Eurocurrency Loans or the Base Rate plus 0.75% for Base Rate Loans. The Eurocurrency rate has a 0% floor. In addition, the Company pays a quarterly commitment fee at a rate per annum ranging from 0.25% to 0.35% of the daily unused portion of the Credit Facility. At June 30, 2021, the interest rate on the term loan A was 1.60%, the interest rate on the term loan B was 1.85%, and the interest rate on the revolving A facility was 1.60%. The unused credit facility fee was 0.30% at June 30, 2021.

(b) The Company is party to a $1.0 billion Securitization Facility. On April 24, 2020, the Company reduced the Securitization Facility commitment from $1.2 billion to $1.0 billion. There is a program fee equal to one month LIBOR plus 1.00% or the Commercial Paper Rate plus 0.90% as of June 30, 2021, and one month LIBOR plus 1.25% or the Commercial Paper Rate plus 1.15% as of December 31, 2020. There is a LIBOR floor of 0% as of June 30, 2021 and a LIBOR floor of 0.38% as of December 31, 2020. The program fee was 0.98% plus 0.11% as of June 30, 2021 and 1.23% plus 0.34% as of December 31, 2020. The unused facility fee is payable at a rate of 0.40% per annum as of June 30, 2021 and December 31, 2020. We have unamortized debt issuance costs of $2.6 million and $1.4 million related to the Securitization Facility as of June 30, 2021 and December 31, 2020, respectively, recorded within other assets in the Unaudited Consolidated Balance Sheets. On March 29, 2021, the Company entered into the eighth amendment to the Securitization Facility. The amendment included a new three year maturity date, reduced the LIBOR floor to 0 bps, improved margins, and increased the swing line from $100 million to $250 million. The maturity date for the Company's Securitization Facility is March 29, 2024.

(c) Other obligations includes the long-term portion of deferred payments associated with business acquisitions and deferred revenue.

The Company was in compliance with all financial and non-financial covenants at June 30, 2021. The Company has entered into interest rate swap cash flow contracts with U.S. dollar notional amounts in order to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt. Refer to Note 13 for further details.

9. Income Taxes

The Company's tax provision or benefit from income taxes for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter the Company updates the estimate of the annual effective tax rate, and if our estimated tax rate changes, makes a cumulative adjustment. The Company's quarterly tax provision and quarterly estimate of the annual effective tax rate are subject to significant variation due to several factors, including variability in accurately predicting the pre-tax and taxable income and loss and the mix of jurisdictions to which they relate. Additionally, the Company's effective tax rate can be more or less volatile based on the amount of pre-tax income or loss. For example, the impact of discrete items and non-deductible expenses on our effective tax rate is greater when our pre-tax income is lower.

The provision for income taxes differs from amounts computed by applying the U.S. federal tax rate of 21% for 2021 and 2020 to income before income taxes for the three months ended June 30, 2021 and 2020 due to the following (in thousands):

	2021		2020	
Computed “expected” tax expense	$ 55,129	21.0 %	$ 44,443	21.0 %
Changes resulting from:				
Foreign income tax differential	(3,899)	(1.5)%	(4,155)	(2.0)%
Excess tax benefit related to stock-based compensation	(6,059)	(2.3)%	(12,720)	(6.0)%
State taxes net of federal benefits	2,949	1.1 %	3,902	1.8 %
Change in UK statutory rate	6,470	2.5 %	—	— %
Foreign withholding	(316)	(0.1)%	3,515	1.7 %
GILTI, net of foreign tax credits	2,899	1.1 %	2,402	1.1 %
Foreign sourced non taxable income	50	— %	13	— %
Change in taxes for federal uncertain tax positions	4,800	1.8 %	12,261	5.8 %
Other	4,249	1.6 %	3,479	1.7 %
Provision for income taxes	$ 66,272	25.2 %	$ 53,140	25.1 %

10. Earnings Per Share

The Company reports basic and diluted earnings per share. Basic earnings per share is computed by dividing net income attributable to shareholders of the Company by the weighted average number of common shares outstanding during the reported period. Diluted earnings per share reflect the potential dilution related to equity-based incentives using the treasury stock method. The calculation and reconciliation of basic and diluted earnings per share for the three and six months ended June 30, 2021 and 2020 is as follows (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	$ 196,247	$ 158,488	$ 380,486	$ 305,548
Denominator for basic earnings per share	83,141	83,895	83,307	84,399
Dilutive securities	2,154	2,675	2,221	2,981
Denominator for diluted earnings per share	85,295	86,570	85,528	87,380
Basic earnings per share	$ 2.36	$ 1.89	$ 4.57	$ 3.62
Diluted earnings per share	$ 2.30	$ 1.83	$ 4.45	$ 3.50

Diluted earnings per share for both the three months ended June 30, 2021 and 2020 excludes the effect of 0.1 million and 0.3 million, respectively, of common stock that may be issued upon the exercise of employee stock options because such effect would be anti-dilutive. Diluted earnings per share also excludes the effect of 0.2 million shares of performance based restricted stock for which the performance criteria have not yet been achieved for both the three month periods ended June 30, 2021 and 2020, respectively.

11. Segments

The Company reports information about its operating segments in accordance with the authoritative guidance related to segments. We manage and report our operating results through three operating and reportable segments defined by geographic regions: North America, Brazil and International, which aligns with how the Chief Operating Decision Maker (CODM) allocates resources, assesses performance and reviews financial information.

The Company's segment results are as follows for the three and six month periods ended June 30, 2021 and 2020 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021[1]	2020	2021[1]	2020
Revenues, net:				
North America	$ 443,426	$ 357,430	$ 845,632	$ 792,122
Brazil	85,670	75,148	167,593	174,126
International	138,285	92,568	262,779	219,991
	$ 667,381	$ 525,146	$ 1,276,004	$ 1,186,239
Operating income:				
North America	$ 178,652	$ 133,151	$ 341,228	$ 218,891
Brazil	33,331	29,420	65,556	68,862
International	85,629	50,240	156,793	126,041
	$ 297,612	$ 212,811	$ 563,577	$ 413,794
Depreciation and amortization:				
North America	$ 43,882	$ 38,548	$ 84,415	$ 76,524
Brazil	12,894	12,169	25,181	26,758
International	12,442	11,445	25,351	23,356
	$ 69,218	$ 62,162	$ 134,947	$ 126,638
Capital expenditures:				
North America	$ 15,325	$ 12,279	$ 26,855	$ 23,543
Brazil	5,775	3,477	9,126	6,808
International	5,138	2,857	9,784	6,519
	$ 26,238	$ 18,613	$ 45,765	$ 36,870

[1]Results from the 2021 acquisitions of Roger and AFEX are reported in our North America segment.

12. Commitments and Contingencies

In the ordinary course of business, the Company is involved in various pending or threatened legal actions, arbitration proceedings, claims, subpoenas, and matters relating to compliance with laws and regulations (collectively, "legal proceedings"). Based on our current knowledge, management presently does not believe that the liabilities arising from these legal proceedings will have a material adverse effect on our consolidated financial condition, results of operations or cash flows. However, it is possible that the ultimate resolution of these legal proceedings could have a material adverse effect on our results of operations and financial condition for any particular period.

Derivative Lawsuits

On July 10, 2017, a shareholder derivative complaint was filed against the Company and certain of the Company's directors and officers in the United States District Court for the Northern District of Georgia ("Federal Derivative Action") seeking recovery on behalf of the Company. The Federal Derivative Action alleges that the defendants issued a false and misleading proxy statement in violation of the federal securities laws; that defendants breached their fiduciary duties by causing or permitting the Company to make allegedly false and misleading public statements concerning the Company's fee charges, and financial and business prospects; and that certain defendants breached their fiduciary duties through allegedly improper sales of stock. The complaint seeks unspecified monetary damages on behalf of the Company, corporate governance reforms, disgorgement of profits, benefits and compensation by the defendants, restitution, costs, and attorneys' and experts' fees. On September 20, 2018, the court entered an order deferring the Federal Derivative Action pending a ruling on motions for summary judgment in the shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed to by the parties. After preliminary approval of the proposed settlement of the shareholder class action was granted, the stay on the Federal Derivative Action was lifted. Plaintiffs amended their complaint on February 22, 2020.

FLEETCOR filed a motion to dismiss the amended complaint in the Federal Derivative Action on April 17, 2020, which the court granted without leave to amend on October 21, 2020. Plaintiffs filed a notice of appeal to the United States Court of Appeals for the Eleventh Circuit on November 18, 2020. The appeal is pending.

On January 9, 2019, a similar shareholder derivative complaint was filed in the Superior Court of Gwinnett County, Georgia ("State Derivative Action"), which was stayed pending a ruling on motions for summary judgment in the shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed by the parties. On the parties' joint motion, the court has continued the stay of the State Derivative Action "pending further developments in the first-filed Federal Derivative Action." The defendants dispute the allegations in the derivative complaints and intend to vigorously defend against the claims.

FTC Investigation

In October 2017, the Federal Trade Commission ("FTC") issued a Notice of Civil Investigative Demand to the Company for the production of documentation and a request for responses to written interrogatories. After discussions with the Company, the FTC proposed in October 2019 to resolve potential claims relating to the Company's advertising and marketing practices, principally in its U.S. direct fuel card business within its North American Fuel Card business. The parties reached impasse primarily related to what the Company believes are unreasonable demands for redress made by the FTC.

On December 20, 2019, the FTC filed a lawsuit in the Northern District of Georgia against the Company and Ron Clarke. See FTC v. FLEETCOR and Ronald F. Clarke, No. 19-cv-05727 (N.D. Ga.). The complaint alleges the Company and Clarke violated the FTC Act's prohibitions on unfair and deceptive acts and practices. The complaint seeks among other things injunctive relief, consumer redress, and costs of suit. The Company continues to believe that the FTC's claims are without merit. On April 17, 2021, the FTC filed a motion for summary judgment. On April 22, 2021, the United States Supreme Court held unanimously in AMG Capital Management v. FTC that the FTC does not have authority under current law to seek monetary redress by means of Section 13(b) of the FTC Act, which is the means by which the FTC has sought such redress in this case. FLEETCOR cross-moved for summary judgment regarding the FTC's ability to seek monetary or injunctive relief on May 17, 2021; the briefing on both parties' summary judgment motions was completed on July 12, 2021. The Company has incurred and continues to incur legal and other fees related to this complaint. Any settlement of this matter, or defense against the lawsuit, could involve costs to the Company, including legal fees, redress, penalties, and remediation expenses. At this time, in view of the complexity and ongoing nature of the matter, we are unable to estimate a reasonably possible loss or range of loss that we may incur to settle this matter or defend against the lawsuit brought by the FTC.

13. Derivative Financial Instruments and Hedging Activities

Foreign Currency Derivatives

The Company uses derivatives to facilitate cross-currency corporate payments by writing derivatives within its cross-border solution. The Company writes derivatives, primarily foreign currency forward contracts, and option contracts, mostly with small and medium size enterprises that are customers, and derives a currency spread from this activity.

Derivative transactions associated with the Company's cross-border solution include:

- *Forward contracts*, which are commitments to buy or sell at a future date a currency at a contract price and will be settled in cash.
- *Option contracts*, which gives the purchaser the right, but not the obligation, to buy or sell within a specified time a currency at a contracted price that may be settled in cash.
- *Swap contracts*, which are commitments to settlement in cash at a future date or dates, usually on an overnight basis.

The credit risk inherent in derivative agreements represents the possibility that a loss may occur from the nonperformance of a counterparty to the agreements. Concentrations of credit and performance risk may exist with counterparties, which includes customers and banking partners, as we are engaged in similar activities with similar economic characteristics related to fluctuations in foreign currency rates. The Company performs a review of the credit risk of these counterparties at the inception of the contract and on an ongoing basis. The Company also monitors the concentration of its contracts with any individual counterparty against limits at the individual counterparty level. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements, but takes action when doubt arises about the counterparties' ability to perform. These actions may include requiring customers to post or increase collateral, and for all counterparties, if the counterparty does not perform under the term of the contract, the contract may be terminated. The Company does not designate any of its foreign exchange derivatives as hedging instruments in accordance with ASC 815.

For derivatives accounted for as hedging instruments, the Company formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. The Company formally assesses, both at the inception and at least quarterly thereafter, whether the financial instruments used in hedging transactions are effective at offsetting changes in cash flows of the related underlying exposures. Any ineffective portion of a financial instrument's change in fair value is immediately recognized in earnings.

The aggregate equivalent U.S. dollar notional amount of foreign exchange derivative customer contracts held by the Company as of June 30, 2021 and December 31, 2020 (in millions) is presented in the table below.

	Notional	
	June 30, 2021	December 31, 2020
Foreign exchange contracts:		
Swaps	$ 1,660.3	$ 684.5
Futures, forwards and spot	7,355.5	5,467.8
Written options	8,954.8	5,578.1
Purchased options	8,399.2	5,195.0
Total	$ 26,369.8	$ 16,925.4

The majority of customer foreign exchange contracts are written in currencies such as the U.S. dollar, Canadian dollar, British pound, euro and Australian dollar.

The following table summarizes the fair value of foreign currency derivatives reported in the Consolidated Balance Sheets as of June 30, 2021 and December 31, 2020 (in millions):

	June 30, 2021			
	Fair Value, Gross		Fair Value, Net	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Derivatives - undesignated:				
Foreign exchange contracts	$ 319.1	$ 268.7	$ 165.8	$ 115.4
Cash collateral	39.5	49.7	39.5	49.7
Total net of cash collateral	$ 279.6	$ 219.0	$ 126.3	$ 65.7

	December 31, 2020			
	Fair Value, Gross		Fair Value, Net	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Derivatives - undesignated:				
Foreign exchange contracts	$ 326.1	$ 310.5	$ 155.8	$ 140.3
Cash collateral	18.2	38.6	18.2	38.6
Total net of cash collateral	$ 307.9	$ 271.9	$ 137.6	$ 101.7

The fair values of derivative assets and liabilities associated with contracts, which include netting terms that the Company believes to be enforceable, have been recorded net within the Consolidated Balance Sheets. The Company receives cash from customers as collateral for trade exposures, which is recorded within cash and cash equivalents and customer deposits in the Consolidated Balance Sheets. The customer has the right to recall their collateral in the event exposures move in their favor, they perform on all outstanding contracts and have no outstanding amounts due to the Company, or they cease to do business with the Company. The Company has trading lines with several banks, most of which require collateral to be posted if certain MTM thresholds are exceeded. Cash collateral posted with banks is recorded within restricted cash and can be recalled in the event that exposures move in the Company’s favor or move below the collateral posting thresholds. The Company does not offset fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral. The table below presents the fair value of the Company’s derivative assets and liabilities, as well as their classification on the accompanying Consolidated Balance Sheets, as of June 30, 2021 and December 31, 2020 (in millions).

	Balance Sheet Classification	June 30, 2021	December 31, 2020
		Fair Value	
Derivative Asset	Other current assets	$ 133.4	$ 139.3
Derivative Asset	Other noncurrent assets	$ 32.4	$ 16.6
Derivative Liability	Other current liabilities	$ 84.2	$ 127.7
Derivative Liability	Other noncurrent liabilities	$ 31.2	$ 12.5

Cash Flow Hedges

On January 22, 2019, the Company entered into three interest rate swap cash flow contracts (the "swap contracts"). The objective of these swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt, the sole source of which is due to changes in the LIBOR benchmark interest rate. As of June 30, 2021, the Company had the following outstanding interest rate derivatives that qualify as hedging instruments and are designated as cash flow hedges of interest rate risk (in millions):

	Notional Amount	Fixed Rates	Maturity Date
Interest Rate Derivative:			
Interest Rate Swap	$ 1,000	2.56%	1/31/2022
Interest Rate Swap	500	2.56%	1/31/2023
Interest Rate Swap	500	2.55%	12/19/2023

For each of these swap contracts, the Company pays a fixed monthly rate and receives one month LIBOR.

The table below presents the fair value of the Company's interest rate swap contracts, as well as their classification on the accompanying Consolidated Balance Sheets, as of June 30, 2021 and December 31, 2020 (in millions). See Note 3 for additional information on the fair value of the Company's swap contracts.

	Balance Sheet Classification	June 30, 2021	December 31, 2020
		Fair Value	
Derivatives designated as cash flow hedges:			
Swap contracts	Other current liabilities	$ 39.0	$ 49.3
Swap contracts	Other noncurrent liabilities	$ 22.0	$ 38.6

The table below displays the effect of the Company's derivative financial instruments in the Unaudited Consolidated Statements of Income and Other Comprehensive Income (Loss) for the six months ended June 30, 2021 and 2020 (in millions):

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Interest Rate Swaps:		
Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives, net of tax of $(6.6) million and $28.2 million for 2021 and 2020, respectively	$ 20.3	$ (42.6)
Amount of loss reclassified from accumulated other comprehensive loss into interest expense	24.5	14.7

The estimated net amount of the existing losses expected to be reclassified into earnings within the next 12 months is approximately $39.1 million at June 30, 2021.

14. Accumulated Other Comprehensive Loss (AOCL)

The changes in the components of AOCL for the six months ended June 30, 2021 and 2020 are as follows (in thousands):

	June 30, 2021		
	Cumulative Foreign Currency Translation	Unrealized (Losses) Gains on Derivative Instruments	Total Accumulated Other Comprehensive (Loss) Income
Balance at January 1, 2021	$ (1,296,962)	$ (66,196)	$ (1,363,158)
Other comprehensive income before reclassifications	77,648	2,345	79,993
Amounts reclassified from AOCI	—	24,542	24,542
Tax effect	—	(6,554)	(6,554)
Other comprehensive income	77,648	20,333	97,981
Balance at June 30, 2021	$ (1,219,314)	$ (45,863)	$ (1,265,177)

	June 30, 2020		
	Cumulative Foreign Currency Translation	Unrealized (Losses) Gains on Derivative Instruments	Total Accumulated Other Comprehensive (Loss) Income
Balance at January 1, 2020	$ (929,713)	$ (42,752)	$ (972,465)
Other comprehensive loss before reclassifications	(566,861)	(85,554)	(652,415)
Amounts reclassified from AOCI	—	14,729	14,729
Tax effect	—	28,176	28,176
Other comprehensive loss	(566,861)	(42,649)	(609,510)
Balance at June 30, 2020	$ (1,496,574)	$ (85,401)	$ (1,581,975)

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements and related notes appearing elsewhere in this report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences include, but are not limited to, those identified below and those described in Item 1A "Risk Factors" appearing in our Annual Report on Form 10-K for the year ended December 31, 2020. All foreign currency amounts that have been converted into U.S. dollars in this discussion are based on the exchange rate as reported by Oanda for the applicable periods.

The following discussion and analysis of our financial condition and results of operations generally discusses the second quarter and the first half of 2021 and 2020, with period-over-period comparisons between these periods. A detailed discussion of 2020 items and period-over-period comparisons between the second quarter and first half of 2020 and 2019 that are not included in this Quarterly Report on Form 10-Q can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, Item 2 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.

Executive Overview

FLEETCOR is a leading global provider of digital payment solutions that enables businesses to control purchases and make payments more effectively and efficiently. Since its incorporation in 2000, FLEETCOR has continued to deliver on its mission: to provide businesses with "a better way to pay". FLEETCOR has been a member of the S&P 500 since 2018 and trades on the New York Stock Exchange under the ticker FLT.

As previously described in our Annual Report on Form 10-K for the year ended December 31, 2020, businesses spend an estimated $170 trillion each year. In many instances, they lack the proper tools to monitor what is being purchased, and employ manual, paper-based, disparate processes and methods to both approve and make payments for their purchases. This often results in wasted time and money due to unnecessary or unauthorized spending, fraud, receipt collection, data input and consolidation, report generation, reimbursement processing, account reconciliations, employee disciplinary actions, and more.

FLEETCOR's vision is that every payment is digital, every purchase is controlled, and every related decision is informed. Digital payments are faster and more secure than paper-based methods such as checks, and provide timely and detailed data which can be utilized to effectively reduce unauthorized purchases and fraud, automate data entry and reporting, and eliminate reimbursement processes. Combining this payment data with analytical tools delivers powerful insights, which managers can use to better run their businesses. Our wide range of modern, digitized solutions generally provides control, reporting, and automation benefits superior to many of the payment methods businesses often used, such as cash, paper checks, general purpose credit cards, as well as employee pay and reclaim processes.

Our revenue is generally reported net of the cost for underlying products and services purchased through our payment solutions. In this report, we refer to this net revenue as "revenue". See "Results of Operations" for additional segment information.

Impact of COVID-19 on Our Business

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (including variants thereof, "COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The pandemic and these containment and mitigation measures have created adverse impacts on the U.S. and global economies and it is unclear whether or how long the pandemic and related economic impacts will continue, whether as a result of new strains of the virus, as a result of vaccine efficacy of distribution rates, or otherwise. The COVID-19 pandemic has had, and could continue to have, an adverse impact on our results of operations and liquidity; the operations of our suppliers, vendors and customers; and on our employees as a result of quarantines, facility closures, travel and logistics restrictions and general decreases in the level of consumer confidence and business activity.

The COVID-19 pandemic continues to impact various aspects of the world economy and our customers. The extent to which the COVID-19 pandemic impacts our business operations, financial results, and liquidity through the remainder of 2021 will depend on numerous evolving factors that we may not be able to accurately predict or assess, including the duration and scope of the pandemic and the geographies most affected; vaccine availability globally, distribution, efficacy to new strains of the virus and the public's willingness to get vaccinated; our response to the continued impact of the pandemic; the negative impact it has on global and regional economies and general economic activity, including the duration and magnitude of its impact on unemployment rates and business spending levels; its short- and longer-term impact on the levels of consumer confidence; the ability of our suppliers, vendors and customers to successfully address the continued impacts of the pandemic; and actions governments, businesses and individuals take in response to the pandemic; and how quickly economies recover after the pandemic subsides. While we believe the COVID-19 pandemic will continue to have an adverse effect on our revenues and earnings in 2021, we expect continued improvement throughout the year as economic activity recovers.

Performance

Revenues, net, Net Income and Net Income Per Diluted Share. Set forth below are revenues, net, net income and net income per diluted share for the three and six months ended June 30, 2021 and 2020 (in millions, except per share amounts).

(Unaudited)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Revenues, net	$ 667.4	$ 525.1	$ 1,276.0	$ 1,186.2
Net income	$ 196.2	$ 158.5	$ 380.5	$ 305.5
Net income per diluted share	$ 2.30	$ 1.83	$ 4.45	$ 3.50

Adjusted Net Income and Adjusted Net Income Per Diluted Share. Set forth below are adjusted net income and adjusted net income per diluted share for the three and six months ended June 30, 2021 and 2020 (in millions, except per share amounts).

(Unaudited)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Adjusted net income	$ 268.4	$ 197.4	$ 510.6	$ 461.9
Adjusted net income per diluted share	$ 3.15	$ 2.28	$ 5.97	$ 5.29

Adjusted net income and adjusted net income per diluted share are supplemental non-GAAP financial measures of operating performance. See the heading entitled “Management’s Use of Non-GAAP Financial Measures” for more information and a reconciliation of the non-GAAP financial measure to the most directly comparable financial measure calculated in accordance with GAAP. We use adjusted net income and adjusted net income per diluted share to eliminate the effect of items that we do not consider indicative of our core operating performance on a consistent basis.

Sources of Revenue

FLEETCOR offers a variety of business payment solutions that help to simplify, automate, secure, digitize and effectively control the way businesses manage and pay their expenses. We provide our payment solutions to our business, merchant, consumer and payment network customers in more than 100 countries around the world today, although we operate primarily in 3 geographies, with 87% of our business in the U.S., Brazil, and the U.K. Our customers may include commercial businesses (obtained through direct and indirect channels), partners for whom we manage payment programs, as well as individual consumers.

FLEETCOR has three reportable segments, North America, International, and Brazil. We report these three segments as they reflect how we organize and manage our global employee base, manage operating performance, contemplate the differing regulatory environments across geographies, and help us isolate the impact of foreign exchange fluctuations on our financial results. However, to help facilitate an understanding of our expansive range of solutions around the world, we describe them in two categories: Corporate Payments solutions, which simplify and automate payments, and Expense Management solutions, which help control and monitor employee spending.

Our Corporate Payments solutions are designed to help businesses streamline the back-office operations associated with making outgoing payments. Companies save time, cut costs, and manage B2B payment processing more efficiently with our suite of corporate payment solutions, including accounts payable (AP) automation, virtual cards, cross-border, and purchasing and T&E cards. Our Expense Management solutions (Fuel, Tolls, and Lodging) are purpose-built to provide customers with greater control and visibility of employee spending when compared with less specialized payment methods, such as cash or general-purpose credit cards. FLEETCOR provides several other payments solutions that, due to their nature or size, are not considered within our Corporate Payments and Expense Management solutions.

Revenues, net, by Segment. For the three and six months ended June 30, 2021 and 2020, our segments generated the following revenue (in millions).

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
(Unaudited)*	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net
North America	$ 443.4	66.4 %	$ 357.4	68.1 %	$ 845.6	66.3 %	$ 792.1	66.8 %
Brazil	85.7	12.8 %	75.1	14.3 %	167.6	13.1 %	174.1	14.7 %
International	138.3	20.7 %	$ 92.6	17.6 %	262.8	20.6 %	220.0	18.5 %
	$ 667.4	100 %	$ 525.1	100 %	$ 1,276.0	100.0 %	$ 1,186.2	100.0 %

*Columns may not calculate due to rounding.

Revenues, net by Geography and Solution. Revenue by geography and solution category for the three and six months ended June 30, 2021 and 2020 (in millions), was as follows:

Revenues, net by Geography*	**Three Months Ended June 30,**				**Six Months Ended June 30,**			
	2021		**2020**		**2021**		**2020**	
(Unaudited)	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**
United States	$ 412.7	62 %	$ 334.9	64 %	$ 783.3	61 %	$ 732.8	62 %
Brazil	$ 85.7	13 %	$ 75.1	14 %	$ 167.6	13 %	$ 174.1	15 %
United Kingdom	$ 83.6	13 %	$ 49.0	9 %	$ 159.2	12 %	$ 122.6	10 %
Other	$ 85.4	13 %	$ 66.1	13 %	$ 166.0	13 %	$ 156.7	13 %
Consolidated revenues, net	$ 667.4	100 %	$ 525.1	100 %	$ 1,276.0	100 %	$ 1,186.2	100 %

*Columns may not calculate due to rounding.

Revenues, net by Solution Category*	**Three Months Ended June 30,**				**Six Months Ended June 30,**			
	2021		**2020**		**2021**		**2020**	
(Unaudited)	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**
Fuel	$ 295.1	44 %	$ 249.8	48 %	$ 557.0	44 %	$ 541.9	46 %
Corporate Payments	140.4	21 %	92.6	18 %	256.8	20 %	212.5	18 %
Tolls	71.3	11 %	64.8	12 %	140.3	11 %	147.8	12 %
Lodging	62.2	9 %	40.6	8 %	121.3	10 %	97.6	8 %
Gift	32.3	5 %	26.5	5 %	75.7	6 %	68.9	6 %
Other	66.0	10 %	50.8	10 %	124.9	10 %	117.5	10 %
Consolidated revenues, net	667.4	100 %	525.1	100 %	$ 1,276.0	100 %	$ 1,186.2	100 %

*Columns may not calculate due to rounding.

The following table presents revenue per key performance metric by solution for the three months ended June 30, 2021 and 2020 (in millions except revenues, net per key performance metric).*

	As Reported				Pro Forma and Macro Adjusted[2]			
	Three Months Ended June 30,				Three Months Ended June 30,			
(Unaudited)	2021	2020	Change	% Change	2021	2020	Change	% Change
FUEL								
- Revenues, net	$ 295.1	$ 249.8	$ 45.3	18 %	$ 298.1	$ 250.1	$ 48.0	19 %
- Transactions	118.3	99.7	18.6	19 %	118.3	99.8	18.4	18 %
- Revenues, net per transaction	$ 2.50	$ 2.51	$ (0.01)	— %	$ 2.52	$ 2.51	$ 0.02	1 %
CORPORATE PAYMENTS								
- Revenues, net	$ 140.4	$ 92.6	$ 47.8	52 %	$ 135.8	$ 102.7	$ 33.1	32 %
- Spend volume	$ 22,862	$ 13,672	$ 9,190	67 %	$ 22,859	$ 17,583	$ 5,276	30 %
- Revenue, net per spend $	0.61 %	0.68 %	(0.06)%	(9)%	0.59 %	0.58 %	0.01 %	2 %
TOLLS								
- Revenues, net	$ 71.3	$ 64.8	$ 6.5	10 %	$ 70.5	$ 64.8	$ 5.6	9 %
- Tags (average monthly)	5.8	5.3	0.5	10 %	5.8	5.3	0.5	10 %
- Revenues, net per tag	$ 12.21	$ 12.19	$ 0.02	— %	$ 12.06	$ 12.19	$ (0.13)	(1)%
LODGING								
- Revenues, net	$ 62.2	$ 40.6	$ 21.6	53 %	$ 62.2	$ 44.8	$ 17.4	39 %
- Room nights	6.6	4.6	2.0	44 %	6.6	5.0	1.6	32 %
- Revenues, net per room night	$ 9.41	$ 8.82	$ 0.58	7 %	$ 9.40	$ 8.96	$ 0.44	5 %
GIFT								
- Revenues, net	$ 32.3	$ 26.5	$ 5.8	22 %	$ 32.3	$ 26.5	$ 5.8	22 %
- Transactions	259.4	188.2	71.1	38 %	259.4	188.2	71.1	38 %
- Revenues, net per transaction	$ 0.12	$ 0.14	$ (0.02)	(12)%	$ 0.12	$ 0.14	$ (0.02)	(12)%
OTHER[1]								
- Revenues, net	$ 66.0	$ 50.8	$ 15.2	30 %	$ 63.5	$ 50.8	$ 12.7	25 %
- Transactions	9.3	9.0	0.3	3 %	9.3	9.0	0.3	3 %
- Revenues, net per transaction	$ 7.13	$ 5.65	$ 1.48	26 %	$ 6.86	$ 5.65	$ 1.21	21 %
FLEETCOR CONSOLIDATED REVENUES, NET								
- Revenues, net	$ 667.4	$ 525.1	$ 142.2	27 %	$ 662.3	$ 539.8	$ 122.5	23 %

[1] Other includes telematics, maintenance, food, transportation and payroll card related businesses.
[2] See heading entitled "Managements' Use of Non-GAAP Financial Measures" for a reconciliation of pro forma and macro adjusted revenue by solution and metric non-GAAP measures to the comparable financial measure calculated in accordance with GAAP.
* Columns may not calculate due to rounding.

Revenue per relevant key performance indicator ("KPI"), which may include transaction, spend volume, monthly tags, room nights, or other metrics, is derived from the various revenue types as discussed above and can vary based on geography, the relevant merchant relationship, the payment solution utilized and the types of products or services purchased, the mix of which would be influenced by our acquisitions, organic growth in our business, and the overall macroeconomic environment, including fluctuations in foreign currency exchange rates, fuel prices, and fuel price spreads. Revenue per KPI per customer may change as the level of services we provide to a customer increases or decreases, as macroeconomic factors change and as adjustments are made to merchant and customer rates. See "Results of Operations" for further discussion of transaction volumes and revenue per transaction.

Sources of Expenses

We incur expenses in the following categories:

- *Processing*—Our processing expenses consist of expenses related to processing transactions, servicing our customers and merchants, credit losses and cost of goods sold related to our hardware sales in certain businesses.

- *Selling*—Our selling expenses consist primarily of wages, benefits, sales commissions (other than merchant commissions) and related expenses for our sales, marketing and account management personnel and activities.

- *General and administrative*—Our general and administrative expenses include compensation and related expenses (including stock-based compensation) for our executives, finance and accounting, information technology, human resources, legal and other administrative personnel. Also included are facilities expenses, third-party professional services fees, travel and entertainment expenses, and other corporate-level expenses.

- *Depreciation and amortization*—Our depreciation expenses include depreciation of property and equipment, consisting of computer hardware and software (including proprietary software development amortization expense), card-reading equipment, furniture, fixtures, vehicles, buildings and leasehold improvements related to office space. Our amortization expenses include amortization of intangible assets related to customer and vendor relationships, trade names and trademarks, software and non-compete agreements. We are amortizing intangible assets related to business acquisitions and certain private label contracts associated with the purchase of accounts receivable.

- *Other operating, net*—Our other operating, net includes other operating expenses and income items that do not relate to our core operations or that occur infrequently.

- *Investment (gain) loss, net*—Our investment results primarily relate to impairment charges related to our investments and unrealized gains and losses related to a noncontrolling interest in a marketable security, which was disposed in 2020.

- *Other expense (income), net*—Our other expense (income), net includes gains or losses from the sale of assets, foreign currency transactions, and other miscellaneous operating costs and revenue.

- *Interest expense, net*—Our interest expense, net includes interest expense on our outstanding debt, interest income on our cash balances and interest on our interest rate swaps.

- *Provision for income taxes*—Our provision for income taxes consists primarily of corporate income taxes related to earnings resulting from the sale of our products and services on a global basis.

Factors and Trends Impacting our Business

We believe that the following factors and trends are important in understanding our financial performance:

- *Global economic conditions*—Our results of operations are materially affected by conditions in the economy generally, in North America, Brazil, and internationally, including the ultimate impact of the COVID-19 pandemic. Factors affected by the economy include our transaction volumes, the credit risk of our customers and changes in tax laws across the globe. These factors affected our businesses in each of our segments.

- *Foreign currency changes*—Our results of operations are significantly impacted by changes in foreign currency exchange rates; namely, by movements of the Australian dollar, Brazilian real, British pound, Canadian dollar, Czech koruna, euro, Mexican peso, New Zealand dollar and Russian ruble, relative to the U.S. dollar. Approximately 61% and 62% of our revenue in the six months ended June 30, 2021 and 2020, respectively, was derived in U.S. dollars and was not affected by foreign currency exchange rates. See "Results of Operations" for information related to foreign currency impacts on our total revenue, net.

  Our cross-border foreign currency trading business aggregates foreign exchange exposures arising from customer contracts and economically hedges the resulting net currency risks by entering into offsetting contracts with established financial institution counterparties. These contracts are subject to counterparty credit risk.

- *Fuel prices*—Our fleet customers use our products and services primarily in connection with the purchase of fuel. Accordingly, our revenue is affected by fuel prices, which are subject to significant volatility. A change in retail fuel prices could cause a decrease or increase in our revenue from several sources, including fees paid to us based on a percentage of each customer's total purchase. Changes in the absolute price of fuel may also impact unpaid account balances and the late fees and charges based on these amounts. We believe approximately 13% and 11% of revenues, net were directly impacted by changes in fuel price in the three months ended June 30, 2021 and 2020, respectively.

We believe approximately 12% and 11% of revenues, net were directly impacted by changes in fuel price in the six months ended June 30, 2021 and 2020, respectively.

- *Fuel-price spread volatility*—A portion of our revenue involves transactions where we derive revenue from fuel price spreads, which is the difference between the price charged to a fleet customer for a transaction and the price paid to the merchant for the same transaction. In these transactions, the price paid to the merchant is based on the wholesale cost of fuel. The merchant's wholesale cost of fuel is dependent on several factors including, among others, the factors described above affecting fuel prices. The fuel price that we charge to our customer is dependent on several factors including, among others, the fuel price paid to the merchant, posted retail fuel prices and competitive fuel prices. We experience fuel price spread contraction when the merchant's wholesale cost of fuel increases at a faster rate than the fuel price we charge to our customers, or the fuel price we charge to our customers decreases at a faster rate than the merchant's wholesale cost of fuel. The inverse of these situations produces fuel price spread expansion. We believe approximately 6% and 11% of revenues, net were directly impacted by fuel price spreads in the three months ended June 30, 2021 and 2020, respectively. We believe approximately 5% and 9% of revenues, net were directly impacted by fuel price spreads in the six months ended June 30, 2021 and 2020, respectively.

- *Acquisitions*—Since 2002, we have completed over 85 acquisitions of companies and commercial account portfolios. Acquisitions have been an important part of our growth strategy, and it is our intention to continue to seek opportunities to increase our customer base and diversify our service offering through further strategic acquisitions. The impact of acquisitions has, and may continue to have, a significant impact on our results of operations and may make it difficult to compare our results between periods.

- *Interest rates*—Our results of operations are affected by interest rates. We are exposed to market risk changes in interest rates on our cash investments and debt. On January 22, 2019, we entered into three swap contracts. The objective of these swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt, the sole source of which is due to changes in the LIBOR benchmark interest rate. For each of these swap contracts, we pay a fixed monthly rate and receive one month LIBOR.

- *Expenses*—Over the long term, we expect that our general and administrative expense will decrease as a percentage of revenue as our revenue increases. To support our expected revenue growth, we plan to continue to incur additional sales and marketing expense by investing in our direct marketing, third-party agents, internet marketing, telemarketing and field sales force.

- *Taxes*—We pay taxes in various taxing jurisdictions, including the U.S., most U.S. states and many non-U.S. jurisdictions. The tax rates in certain non-U.S. taxing jurisdictions are different than the U.S. tax rate. Consequently, as our earnings fluctuate between taxing jurisdictions, our effective tax rate fluctuates.

Acquisitions and Investments

2021

- On July 28, 2021, we signed a definitive agreement to acquire ALE Solutions, Inc. (ALE), a U.S. based leader in lodging solutions to the insurance industry, for approximately $400 million. The transaction is expected to close during the third quarter of 2021, subject to regulatory approval and closing conditions.

- On June 1, 2021, we completed the acquisition of AFEX, a U.S. based, cross-border payment solutions provider for approximately $419 million.

- On January 13, 2021, we completed the acquisition of Roger, which has been rebranded as CorpayOne, a global accounts payable (AP) cloud software platform for small businesses, for approximately $39 million. This acquisition is not expected to be material to the financial results of the Company.

2020

- On November 30, 2020, we completed the acquisition of a fuel card provider in New Zealand for an immaterial amount.
- On August 10, 2020, we completed the acquisition of a business in the lodging space in the U.S. for an immaterial amount.

Results from our 2021 and 2020 AFEX, Roger and lodging acquisitions are reported in our North America segment from the dates of acquisition. Results from our 2020 New Zealand acquisition are reported in our International segment from the date of acquisition.

Results of Operations

Three months ended June 30, 2021 compared to the three months ended June 30, 2020

The following table sets forth selected unaudited consolidated statements of income and selected operational data for the three months ended June 30, 2021 and 2020 (in millions, except percentages)*.

(Unaudited)	Three Months Ended June 30, 2021	% of Total Revenues, net	Three Months Ended June 30, 2020	% of Total Revenues, net	Increase (decrease)	% Change
Revenues, net:						
North America	$ 443.4	66.4 %	$ 357.4	68.1 %	$ 86.0	24.1 %
Brazil	85.7	12.8 %	75.1	14.3 %	10.5	14.0 %
International	138.3	20.7 %	92.6	17.6 %	45.7	49.4 %
Total revenues, net	667.4	100.0 %	525.1	100.0 %	142.2	27.1 %
Consolidated operating expenses:						
Processing	122.3	18.3 %	121.3	23.1 %	1.0	0.8 %
Selling	63.2	9.5 %	42.4	8.1 %	20.9	49.2 %
General and administrative	115.0	17.2 %	86.7	16.5 %	28.3	32.6 %
Depreciation and amortization	69.2	10.4 %	62.2	11.8 %	7.1	11.4 %
Other operating, net	—	— %	(0.2)	— %	(0.3)	NM
Operating income	297.6	44.6 %	212.8	40.5 %	84.8	39.8 %
Investment gain	—	— %	(33.7)	(6.4)%	33.7	NM
Other expense, net	0.4	0.1 %	2.5	0.5 %	(2.1)	(83.5)%
Interest expense, net	34.7	5.2 %	32.4	6.2 %	2.3	7.0 %
Provision for income taxes	66.3	9.9 %	53.1	10.1 %	13.1	24.7 %
Net income	$ 196.2	29.4 %	$ 158.5	30.2 %	$ 37.8	23.8 %
Operating income for segments:						
North America	$ 178.7		$ 133.2		$ 45.5	34.2 %
Brazil	33.3		29.4		3.9	13.3 %
International	85.6		50.2		35.4	70.4 %
Operating income	$ 297.6		$ 212.8		$ 84.8	39.8 %
Operating margin for segments:						
North America	40.3 %		37.3 %		3.0 %	
Brazil	38.9 %		39.1 %		(0.2)%	
International	61.9 %		54.3 %		7.6 %	
Consolidated	44.6 %		40.5 %		4.1 %	

NM = Not Meaningful
*The sum of the columns and rows may not calculate due to rounding.

Revenues, net

Consolidated revenues were $667.4 million in the three months ended June 30, 2021, an increase of $142.2 million or 27.1%, from $525.1 million in the three months ended June 30, 2020. Organically, consolidated revenues increased by approximately 23%. Consolidated revenues and organic growth increased primarily due to increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic. The increase was also due to the impact of acquisitions completed in 2020 and 2021 of approximately $15 million and the positive impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a positive impact on our consolidated revenues for the three months ended June 30, 2021 over the comparable period in 2020 of approximately $5 million, driven primarily by favorable changes in foreign exchange rates of approximately $19 million mostly in our U.K., Canada and Brazil businesses and the favorable impact of fuel prices of approximately $16 million. These increases were partially offset by unfavorable fuel price spreads of approximately $30 million.

North America segment revenues, net

North America segment revenues were $443.4 million in the three months ended June 30, 2021, an increase of $86.0 million or 24.1%, from $357.4 million in the three months ended June 30, 2020. Organically, North America segment revenues increased by approximately 22%. North America revenues and organic growth increased primarily due to increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic. The increase in North America revenues was also due to the impact of acquisitions completed in 2020 and 2021 of approximately $14 million, partially offset by the negative impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our North America segment revenues in the three months ended June 30, 2021 over the comparable period in 2020 of approximately $11 million, driven primarily by unfavorable fuel price spreads of approximately $30 million. This decrease was partially offset by favorable changes in foreign exchange rates of approximately $5 million in our cross-border business and the favorable impact of fuel prices of approximately $14 million.

Brazil segment revenues, net

Brazil segment revenues were $85.7 million in the three months ended June 30, 2021, an increase of $10.5 million or 14.0%, from $75.1 million in three months ended June 30, 2020. Organically, Brazil segment revenues increased by approximately 13%. Brazil revenues and organic growth increased primarily due to increases in toll tags sold as the business recovered from the effects of the COVID-19 pandemic. The increase in Brazil revenues was also due to the slightly favorable impact of foreign exchange rates of approximately $1 million for the three months ended June 30, 2021 over the comparable period in 2020.

International segment revenues, net

International segment revenues were $138.3 million in the three months ended June 30, 2021, an increase of $45.7 million or 49.4%, from $92.6 million in the three months ended June 30, 2020. Organically, International segment revenues increased by approximately 33%. International revenues and organic growth increased primarily due to increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a positive impact on our International segment revenues in the three months ended June 30, 2021 over the comparable period in 2020 of approximately $15 million, driven primarily by favorable foreign exchange rates of approximately $13 million primarily in our U.K. business and the favorable impact of fuel prices of approximately $2 million.

Consolidated operating expenses

Processing. Processing expenses were $122.3 million in the three months ended June 30, 2021, an increase of $1.0 million or 0.8%, from $121.3 million in the comparable prior period. Increases were primarily due to expenses related to higher volumes processed of approximately $14 million, expenses related to acquisitions completed in 2020 and 2021 of approximately $6 million, and the unfavorable impact of changes in foreign exchange rates of approximately $2 million. These increases were partially offset by a decrease in bad debt expense of $15 million.

Selling. Selling expenses were $63.2 million in the three months ended June 30, 2021, an increase of $20.9 million or 49.2%, from $42.4 million in the comparable prior period. Increases in selling expenses were primarily due to higher commissions and other variable costs due to increased sales volumes in the second quarter of 2021, expenses related to acquisitions completed in 2020 and 2021 of approximately $7 million and the unfavorable impact of fluctuations in foreign exchange rates of approximately $2 million.

General and administrative. General and administrative expenses were $115.0 million in the three months ended June 30, 2021, an increase of $28.3 million or 32.6% from $86.7 million in the comparable prior period. Increases in general and administrative expenses were primarily due to increased stock based compensation expense of $8 million, the impact of acquisitions completed in 2020 and 2021 of approximately $7 million, increased professional fees of $3 million and the unfavorable impact of fluctuations in foreign exchange rates of approximately $2 million.

Depreciation and amortization. Depreciation and amortization expenses were $69.2 million in the three months ended June 30, 2021, an increase of $7.1 million or 11.4%, from $62.2 million in the comparable prior period. Increases in depreciation and amortization expenses were primarily due to expenses related to acquisitions completed in 2020 and 2021 of approximately $5 million and the unfavorable impact of fluctuations in foreign exchange rates of approximately $2 million.

Investment gain. Investment gain of $33.7 million in the three months ended June 30, 2020 relates to market value gains on our investment in bill.com during the second quarter of 2020, which we sold during the third quarter of 2020.

Interest expense, net. Interest expense, net was $34.7 million in the three months ended June 30, 2021, an increase of $2.3 million or 7.0%, from $32.4 million in the comparable prior period. The increase in interest expense was primarily due to higher balances on our new term B loan and the impact of additional borrowings on our Securitization Facility, partially offset by lower borrowings on our revolver and lower LIBOR rates. The following table sets forth the average interest rates paid on borrowings under our Credit Facility, excluding the related unused facility fees and swaps.

	Three Months Ended June 30,	
(Unaudited)	**2021**	**2020**
Term loan A	1.60 %	2.01 %
Term loan B	1.85 %	2.26 %
Revolving line of credit A, B & C USD Borrowings	1.61 %	2.06 %
Revolving line of credit B GBP Borrowings	— %	1.69 %
Foreign swing line	1.54 %	1.56 %

The average unused facility fee for the Credit Facility was 0.30% in the three month period ended June 30, 2021.

On January 22, 2019, we entered into three interest rate swap cash flow contracts. The objective of these interest rate swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2 billion of variable rate debt, tied to the one month LIBOR benchmark interest rate. During the three months ended June 30, 2021, as a result of these swap contracts, we incurred additional interest expense of $12.4 million or 2.45% over the average LIBOR rates on $2 billion of borrowings.

Provision for income taxes. The provision for income taxes and effective tax rate were $66.3 million and 25.2% in the three months ended June 30, 2021, an increase of $13.1 million, or 24.7% change, from $53.1 million and 25.1% in the three months ended June 30, 2020. We provide for income taxes during interim periods based on an estimate of our effective tax rate for the year. Discrete items and changes in the estimate of the annual tax rate are recorded in the period they occur.

During the three months ended June 30, 2021, we recorded tax expense of $6.5 million as a result of the remeasurement in deferreds due to the increase in the U.K. corporate tax rate from 19% to 25%, effective in 2023. The provision for income taxes in the three months ended June 30, 2020 included a $9.8 million increase in a reserve for uncertain tax positions related to prior years. Excluding these discrete items in each period, our effective tax rate in the second quarter of 2021 would have been 22.8% compared to 20.5% in 2020. The increase in the rate was primarily due to less excess tax benefit on stock option exercises in 2021 over the comparable period in 2020. The increase in the provision for income taxes was driven primarily by an increase in pre-tax earnings.

We pay taxes in different taxing jurisdictions, including the US, most US states, and many non-US jurisdictions. The tax rates in certain non-US taxing jurisdictions are different than the US tax rate. Consequently, as our earnings fluctuate between taxing jurisdictions, our effective tax rate fluctuates.

Net income. For the reasons discussed above, our net income increased to $196.2 million in the three months ended June 30, 2021, an increase of $37.8 million or 23.8%, from $158.5 million in the three months ended June 30, 2020.

Operating income and operating margin

Consolidated operating income. Operating income was $297.6 million in the three months ended June 30, 2021, an increase of $84.8 million or 39.8%, from $212.8 million in the comparable prior period. Our operating margin was 44.6% and 40.5% for the three months ended June 30, 2021 and 2020, respectively. These increases were driven primarily by the increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic driving organic growth, favorable movements in the foreign exchange rates of $10 million and favorable impact of fuel prices of $16 million. These increases were partially offset by unfavorable fuel price spreads of approximately $30 million.

For the purpose of segment operating results, we calculate segment operating income by subtracting segment operating expenses from segment revenues, net. Segment operating margin is calculated by dividing segment operating income by segment revenues, net.

North America segment operating income. North America operating income was $178.7 million in the three months ended June 30, 2021, an increase of $45.5 million or 34.2%, from $133.2 million in the comparable prior period. North America operating margin was 40.3% and 37.3% for the three months ended June 30, 2021 and 2020, respectively. These increases were primarily driven by increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic driving organic growth, the favorable impact of fuel prices of $14 million and favorable movements in the foreign exchange rates of $2 million. These increases were partially offset by unfavorable fuel price spreads of approximately $30 million.

Brazil segment operating income. Brazil operating income was $33.3 million in the three months ended June 30, 2021, an increase of $3.9 million or 13.3%, from $29.4 million in the comparable prior period. Brazil operating margin was 38.9% and 39.1% for the three months ended June 30, 2021 and 2020, respectively. The increase in operating income was primarily driven by increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic driving organic growth.

International segment operating income. International operating income was $85.6 million in the three months ended June 30, 2021, an increase of $35.4 million or 70.4%, from $50.2 million in the comparable prior period. International operating margin was 61.9% and 54.3% for the three months ended June 30, 2021 and 2020, respectively. These increases were driven primarily by increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic driving organic growth, favorable movements in the foreign exchange rates of $8 million and favorable impact of fuel prices of $2 million.

Six months ended June 30, 2021 compared to the six months ended June 30, 2020

The following table sets forth selected unaudited consolidated statements of income and selected operational data for the six months ended June 30, 2021 and 2020 (in millions, except percentages)*.

(Unaudited)	Six Months Ended June 30, 2021	% of Total Revenues, net	Six Months Ended June 30, 2020	% of Total Revenues, net	Increase (decrease)	% Change
Revenues, net:						
North America	$ 845.6	66.3 %	$ 792.1	66.8 %	$ 53.5	6.8 %
Brazil	167.6	13.1 %	174.1	14.7 %	(6.5)	(3.8)%
International	262.8	20.6 %	220.0	18.5 %	42.8	19.4 %
Total revenues, net	1,276.0	100.0 %	1,186.2	100.0 %	89.8	7.6 %
Consolidated operating expenses:						
Processing	238.7	18.7 %	355.0	29.9 %	(116.3)	(32.8)%
Selling	115.3	9.0 %	98.2	8.3 %	17.1	17.4 %
General and administrative	223.4	17.5 %	192.8	16.3 %	30.5	15.8 %
Depreciation and amortization	134.9	10.6 %	126.6	10.7 %	8.3	6.6 %
Other operating, net	81	— %	(0.3)	— %	(0.3)	NM
Operating income	563.6	44.2 %	413.8	34.9 %	149.8	36.2 %
Investment gain	—	— %	(31.3)	(2.6)%	31.3	(100.0)%
Other expense (income), net	2.2	0.2 %	(6.9)	(0.6)%	9.0	NM
Interest expense, net	63.2	5.0 %	68.1	5.7 %	(4.9)	(7.1)%
Provision for income taxes	117.7	9.2 %	78.4	6.6 %	39.3	50.2 %
Net income	$ 380.5	29.8 %	$ 305.5	25.8 %	$ 74.9	24.5 %
Operating income for segments:						
North America	$ 341.2		$ 218.9		$ 122.3	55.9 %
Brazil	65.6		68.9		(3.3)	(4.8)%
International	156.8		126.0		30.8	24.4 %
Operating income	$ 563.6		$ 413.8		$ 149.8	36.2 %
Operating margin for segments:						
North America	40.4 %		27.6 %		12.7 %	
Brazil	39.1 %		39.5 %		(0.4)%	
International	59.7 %		57.3 %		2.4 %	
Consolidated	44.2 %		34.9 %		9.3 %	

NM = Not Meaningful

*The sum of the columns and rows may not calculate due to rounding.

Revenues, net

Our consolidated revenues were $1,276.0 million, in the six months ended June 30, 2021, an increase of $89.8 million, or 7.6%, from $1,186.2 million in the six months ended June 30, 2020. Organically, consolidated revenues increased by approximately 7%. Consolidated revenues and organic growth increased primarily due to increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic. The increase was also due to the impact of acquisitions completed in 2020 and 2021 of approximately $27 million. The increase in consolidated revenues was partially offset by the negative impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our consolidated revenues for the six months ended June 30, 2021 over the comparable period in 2020 of approximately $22 million. Unfavorable fuel price spreads had a negative impact on revenues of approximately $46 million. These decreases were partially offset by the favorable impact of fuel prices of approximately $16 million and favorable changes in foreign exchange rates of approximately $7 million.

North America segment revenues, net

North America segment revenues were $845.6 million in the six months ended June 30, 2021, an increase of $53.5 million, or 6.8%, from $792.1 million in the six months ended June 30, 2020. Organically, North America segment revenues increased by approximately 6%. North America revenues and organic growth increased primarily due to increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic. The increase in North America revenues was also due to the impact of acquisitions completed in 2020 and 2021 of approximately $26 million, partially offset by the negative impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our North America segment revenues in the six months ended June 30, 2021 over the comparable period in 2020 of approximately $24 million, driven primarily by unfavorable fuel price spreads of approximately $46 million. This decrease was partially offset by the favorable impact of fuel prices of approximately $15 million and favorable changes in foreign exchange rates of approximately $7 million in our cross-border business.

Brazil segment revenues, net

Brazil segment revenues were $167.6 million in the six months ended June 30, 2021, a decrease of $6.5 million or 3.8%, from $174.1 million in the six months ended June 30, 2020. Brazil revenues declined primarily due to the unfavorable impact of foreign exchange rates of approximately $18 million for the six months ended June 30, 2021 over the comparable period in 2020. These decreases were partially offset by organic growth in Brazil segment revenues of approximately 7%.

International segment revenues, net

International segment revenues were $262.8 million in the six months ended June 30, 2021, an increase of $42.8 million, or 19.4%, from $220.0 million in the six months ended June 30, 2020. Organically, International segment revenues increased by approximately 10%. International revenues and organic growth increased primarily due to increases in transaction volume as the business recovered from the effects of the COVID-19 pandemic. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a positive impact on our International segment revenues in the six months ended June 30, 2021 over the comparable period in 2020 of approximately $20 million, driven primarily by favorable changes in foreign exchange rates of approximately $19 million driven primarily by our U.K. business, and the favorable impact of fuel prices of approximately $2 million.

Consolidated operating expenses

Processing. Processing expenses were $238.7 million in the six months ended June 30, 2021, a decrease of $116.3 million, or 32.8%, from $355.0 million in the comparable prior period. Decreases in processing expenses were primarily due to lower bad debt expense of approximately $130 million, which included a write-off of a customer receivable in our cross-border payments business of approximately $90 million in the first quarter of 2020. These decreases were partially offset by expenses related to acquisitions completed in 2020 and 2021 of approximately $9 million.

Selling. Selling expenses were $115.3 million in the six months ended June 30, 2021, an increase of $17.1 million, or 17.4%, from $98.2 million in the comparable prior period. Increases in selling expenses were primarily due to higher commissions and other variable costs due to increased sales volumes in during the second quarter of 2021 and expenses related to acquisitions completed in 2020 and 2021 of approximately $8 million.

General and administrative. General and administrative expenses were $223.4 million in the six months ended June 30, 2021, an increase of $30.5 million, or 15.8% from $192.8 million in the comparable prior period. Increases in general and administrative expenses were primarily due to the impact of acquisitions completed in 2020 and 2021 of approximately $9 million, increased stock based compensation expense of $10 million and increased professional fees of $7 million.

Depreciation and amortization. Depreciation and amortization expenses were $134.9 million in the six months ended June 30, 2021, an increase of $8.3 million, or 6.6% from $126.6 million in the comparable prior period. Increases in depreciation and amortization expenses were primarily due to expenses related to acquisitions completed in 2020 and 2021 of approximately $7 million.

Investment gain. Investment gain of $31.3 million in the six months ended June 30, 2020 relates to market value gains on our investment in bill.com during the second quarter of 2020, which we sold during the third quarter of 2020.

Other expense (income), net. Other expense, net was $2.2 million in the six months ended June 30, 2021, compared to other income, net of $6.9 million in the six months ended June 30, 2020. Other income in the six months ended June 30, 2020 includes a $7 million favorable purchase price settlement from our Cambridge acquisition.

Interest expense, net. Interest expense, net was $63.2 million in the six months ended June 30, 2021, a decrease of $4.9 million, or 7.1%, from $68.1 million in the comparable prior period. The decrease in interest expense is primarily due to decreases in LIBOR and lower revolver borrowings, partially offset by the impact of higher balances on our new term B loan. The following table sets forth the average interest rates paid on borrowings under our Credit Facility, excluding the related unused facility fees and swaps.

	Six Months Ended June 30,	
(Unaudited)	**2021**	**2020**
Term loan A	1.62 %	2.51 %
Term loan B	1.86 %	2.84 %
Revolving line of credit A, B & C USD Borrowings	1.62 %	2.60 %
Revolving line of credit B GBP Borrowings	1.52 %	1.86 %
Foreign swing line	1.54 %	1.83 %

The average unused facility fee for the Credit Facility was 0.30% in the in the six months ended June 30, 2021.

On January 22, 2019, we entered into three interest rate swap contracts. The objective of these interest rate swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt, tied to the one month LIBOR benchmark interest rate. During the six months ended June 30, 2021, as a result of these swaps, we incurred additional interest expense of approximately $24.5 million or 2.44% over the average LIBOR rates on $2 billion of borrowings.

Provision for income taxes. The provision for income taxes and effective tax rate was $117.7 million and 23.6% in the six months ended June 30, 2021, an increase of $39.3 million, or 50.2% change, from $78.4 million and 20.4%, respectively, in the comparable prior period. We provide for income taxes during interim periods based on an estimate of our effective tax rate for the year. Discrete items and changes in the estimate of the annual tax rate are recorded in the period they occur. The increase in the provision for income taxes was driven primarily by an increase in pre-tax earnings. The increase in the effective tax rate was primarily due to less excess tax benefit on stock option exercises in 2021 over the comparable period in 2020.

We pay taxes in different taxing jurisdictions, including the US, most US states, and many non-US jurisdictions. The tax rates in certain non-US taxing jurisdictions are different than the US tax rate. Consequently, as our earnings fluctuate between taxing jurisdictions, our effective tax rate fluctuates.

Net income. For the reasons discussed above, our net income was $380.5 million in the six months ended June 30, 2021, an increase of $74.9 million, or 24.5% from $305.5 million in the six months ended 2020.

Operating income and operating margin

Consolidated operating income. Operating income was $563.6 million in the six months ended June 30, 2021, an increase of $149.8 million, or 36.2%, from $413.8 million in the comparable prior period. Our operating margin was 44.2% and 34.9% for the six months ended June 30, 2021 and 2020, respectively. These increases were primarily driven by the write-off of a customer receivable in our cross-border payments business of approximately $90 million in the first quarter of 2020, increases in volume as the business recovered from the effects of the COVID-19 pandemic driving organic growth, the impact of favorable fuel prices of approximately $16 million and favorable movements in foreign exchange rates of approximately $6 million These increases were partially offset by the unfavorable impact of fuel spread margins of $46 million.

For the purpose of segment operating results, we calculate segment operating income by subtracting segment operating expenses from segment revenue. Segment operating margin is calculated by dividing segment operating income by segment revenue.

North America segment operating income. North America operating income was $341.2 million in the six months ended June 30, 2021, an increase of $122.3 million, or 55.9%, from $218.9 million in the comparable prior period. North America operating margin was 40.4% and 27.6% for the six months ended June 30, 2021 and 2020, respectively. These increases were due primarily to the write-off of a customer receivable in our cross border payments business of approximately $90 million in the first quarter of 2020, increases in volume as the business recovered from the effects of the COVID-19 pandemic driving organic growth, the impact of favorable fuel prices of approximately $15 million and favorable movements in the foreign exchange rates of $3 million. These increases were partially offset by the unfavorable impact of fuel spread margins of $46 million.

Brazil segment operating income. Brazil operating income was $65.6 million in the six months ended June 30, 2021, a decrease of $3.3 million, or 4.8%, from $68.9 million in the comparable prior period. Brazil operating margin was 39.1% and 39.5% for the six months ended June 30, 2021 and 2020, respectively. These decreases were due primarily to the unfavorable impact of foreign exchange rates of $8 million. The decreases were partially offset by the favorable impact of organic growth in Brazil.

International segment operating income. International operating income was $156.8 million in the six months ended June 30, 2021, an increase of $30.8 million, or 24.4%, from $126.0 million in the comparable prior period. International operating margin was 59.7% and 57.3% for the six months ended June 30, 2021 and 2020, respectively. These increases were primarily due to an increase in transaction volume as the business recovered from the effects of the COVID-19 pandemic driving organic growth, the favorable impact of foreign exchange rates of $11 million and the favorable impact of fuel prices of $2 million.

Liquidity and capital resources

Our principal liquidity requirements are to service and repay our indebtedness, make acquisitions of businesses and commercial account portfolios, repurchase shares of our common stock and meet working capital, tax and capital expenditure needs.

Sources of liquidity. We believe that our current level of cash and borrowing capacity under our Credit Facility and Securitization Facility (each defined below), together with expected future cash flows from operations, will be sufficient to meet the needs of our existing operations and planned requirements for the foreseeable future, based on our current assumptions. At June 30, 2021, we had approximately $2.5 billion in total liquidity, consisting of approximately $1.2 billion available under our Credit Facility (defined below) and unrestricted cash of $1.3 billion. Restricted cash represents primarily customer deposits in our Comdata business in the U.S., as well as collateral received from customers for cross-currency transactions in our cross-border payments business, which are restricted from use other than to repay customer deposits, as well as to secure and settle cross-currency transactions.

We also utilize an accounts receivable Securitization Facility to finance a majority of our domestic receivables, to lower our cost of borrowing and more efficiently use capital. We generate and record accounts receivable when a customer makes a purchase from a merchant using one of our card solutions and generally pay merchants before collecting the receivable. As a result, we utilize the Securitization Facility as a source of liquidity to provide the cash flow required to fund merchant payments while we collect customer balances. These balances are primarily composed of charge balances, which are typically billed to the customer on a weekly, semimonthly or monthly basis, and are generally required to be paid within 14 days of billing. We also consider the undrawn amounts under our Securitization Facility and Credit Facility as funds available for working capital purposes and acquisitions. At June 30, 2021, we had no additional liquidity under our Securitization Facility.

The Company has determined that outside basis differences associated with our investment in foreign subsidiaries would not result in a material deferred tax liability, and consistent with our assertion that these amounts continue to be indefinitely reinvested, have not recorded incremental income taxes for the additional outside basis differences.

We cannot assure you that our assumptions used to estimate our liquidity requirements will remain accurate due to the unprecedented nature of the disruption to our operations and the unpredictability of the ongoing COVID-19 global pandemic. As a consequence, our estimates of the duration of the pandemic and the severity of the impact on our future earnings and cash flows could change and have a material impact on our results of operations and financial condition.

Cash flows

The following table summarizes our cash flows for the six month periods ended June 30, 2021 and 2020 (in millions).

(Unaudited)	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net cash provided by operating activities	$ 356.4	$ 802.2
Net cash used in investing activities	(163.0)	(37.4)
Net cash provided by (used in) financing activities	358.7	(1,032.4)

Operating activities. Net cash provided by operating activities was $356.4 million in the six months ended June 30, 2021, a decrease from $802.2 million in the comparable prior period. The decrease in operating cash flows was primarily due to unfavorable working capital movements primarily due to the timing of cash receipts and payments in the six months ended June 30, 2021 over the comparable period in 2020.

Investing activities. Net cash used in investing activities was $163.0 million in the six months ended June 30, 2021 compared to $37.4 million in the six months ended June 30, 2020. The increased use of cash was primarily due to the increase in cash paid for acquisitions in the six months ended June 30, 2021 over the comparable period in 2020.

Financing activities. Net cash provided by financing activities was $358.7 million in the six months ended June 30, 2021, compared to net cash used in financing activities of $1,032.4 million in the six months ended June 30, 2020. The increase in net cash provided by financing activities was primarily due to increased net borrowings on our Credit Facility of $711 million, increased net borrowings on our Securitization Facility of $617 million and a decrease in repurchases of our common stock of $141 million in the six months ended June 30, 2021 over the comparable period in 2020.

Capital spending summary

Our capital expenditures were $45.8 million in the six months ended June 30, 2021, an increase of $8.9 million or 24.1%, from $36.9 million in the comparable prior period due to the impact of acquisitions and continued investments in technology.

Credit Facility

FLEETCOR Technologies Operating Company, LLC, and certain of our domestic and foreign owned subsidiaries, as designated co-borrowers (the “Borrowers”), are parties to a $5.625 billion Credit Agreement (the "Credit Agreement"), with Bank of America, N.A., as administrative agent, swing line lender and local currency issuer, and a syndicate of financial institutions (the “Lenders”), which has been amended multiple times. The Credit Agreement provides for senior secured credit facilities (collectively, the "Credit Facility") consisting of a revolving credit facility in the amount of $1.285 billion, a term loan A facility in the amount of $3.225 billion and a term loan B facility in the amount of $1.150 billion as of June 30, 2021. The revolving credit facility consists of (a) a revolving A credit facility in the amount of $800 million, with sublimits for letters of credit and swing line loans, (b) a revolving B facility in the amount of $450 million for borrowings in U.S. dollars, euros, British pounds, Japanese yen or other currency as agreed in advance, and a sublimit for swing line loans, and (c) a revolving C facility in the amount of $35 million with borrowings in U.S. dollars, Australian dollars or New Zealand dollars. The Credit Agreement also includes an accordion feature for borrowing an additional $750 million in term loan A, term loan B, revolving A or revolving B facility debt and an unlimited amount when the leverage ratio on a pro-forma basis is less than 3.00 to 1.00. Proceeds from the credit facilities may be used for working capital purposes, acquisitions, and other general corporate purposes. On April 24, 2020, we entered into the eighth amendment to the Credit Agreement to add a $250 million revolving D facility. On August 20, 2020, we determined that, due to a recovery in our business operations and other safeguards being in place, the revolving D facility was no longer necessary and the facility was terminated. The maturity date for the term loan A and revolving credit facilities A, B and C is December 19, 2023. On April 30, 2021, we entered into the ninth amendment to the Credit Agreement. The amendment provided for a new seven-year $1.150 billion term loan B. The existing term loan B was paid off with proceeds from the new term loan B. The new term loan B has a maturity date of April 30, 2028, and interest rates remain unchanged.

Interest on amounts outstanding under the Credit Agreement (other than the term loan B) accrues based on the British Bankers Association LIBOR Rate (the "Eurocurrency Rate"), plus a margin based on a leverage ratio, or at our option, the Base Rate (defined as the rate equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the prime rate announced by Bank of America, N.A., or (c) the Eurocurrency Rate plus 1.00%) plus a margin based on a leverage ratio. Interest on the term loan B facility accrues based on the Eurocurrency Rate plus 1.75% for Eurocurrency Loans or the Base Rate plus 0.75% for Base Rate Loans. The Eurocurrency rate has a 0% floor. In addition, we pay a quarterly commitment fee at a rate per annum ranging from 0.25% to 0.35% of the daily unused portion of the Credit Facility.

At June 30, 2021, the interest rate on the term loan A was 1.60%, the interest rate on the term loan B was 1.85% and the interest rate on the revolving A facility was 1.60%. The unused credit facility fee was 0.30% at June 30, 2021.

At June 30, 2021, we had $2.8 billion in borrowings outstanding on the term loan A, net of discounts, and $1.1 billion in borrowings outstanding on the term loan B, net of discounts. We have unamortized debt issuance costs of $4.1 million related to the revolving facilities as of June 30, 2021 recorded within other assets in the Unaudited Consolidated Balance Sheet. We have unamortized debt discounts of $8.7 million and debt issuance costs $6.3 million related to our term loans at June 30, 2021.

During the six months ended June 30, 2021, we made principal payments of $419 million on the term loans, $624 million on the revolving facilities, and $52 million on the swing line revolving facility.

As of June 30, 2021, we were in compliance with each of the covenants under the Credit Agreement.

Cash Flow Hedges

On January 22, 2019, we entered into three swap contracts. The objective of these swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt, the sole source of which is due to changes in the LIBOR benchmark interest rate. These swap contracts qualify as hedging instruments and have been designated as cash flow hedges. For each of these swap contracts, we pay a fixed monthly rate and receive one month LIBOR. We reclassified approximately $24.5 million of losses from accumulated other comprehensive income into interest expense during the six months ended June 30, 2021 as a result of these hedging instruments.

Securitization Facility

We are party to a $1.0 billion receivables purchase agreement among FLEETCOR Funding LLC, as seller, PNC Bank, National Association as administrator, and various purchaser agents, conduit purchasers and related committed purchasers parties thereto. We refer to this arrangement as the Securitization Facility. There have been several amendments to the Securitization Facility. On November 13, 2020, we extended the Securitization Facility termination date to November 12, 2021, added an uncommitted accordion to increase the purchase limit by up to $500 million, revised obligor concentration limits and reserve calculations, added a 0.375% LIBOR floor and modified certain swing line terms. In addition, the program fee for LIBOR borrowings increased from 0.90% to 1.25% and the program fee for Commercial Paper Rate borrowings increased from 0.80% to 1.15%. On March 29, 2021, we amended the Securitization Facility to include a new three year maturity date, reduced the LIBOR floor to 0 bps, improved margins, and increased the swing line from $100 million to $250 million. The maturity date for our Securitization Facility is March 29, 2024.

We were in compliance with the financial covenant requirements related to our Securitization Facility as of June 30, 2021.

Stock Repurchase Program

The Company's Board of Directors has approved a stock repurchase program (as updated from time to time, the "Program"), authorizing the Company to repurchase its common stock from time to time until February 1, 2023. On July 27, 2021, the Board increased the aggregate size of the Program by $1 billion, to $5.1 billion, leaving the Company up to $1.6 billion available under the Program for future repurchases in shares of its common stock. Since the beginning of the Program through June 30, 2021, 16,184,095 shares have been repurchased for an aggregate purchase price of $3.5 billion.

Any stock repurchases may be made at times and in such amounts as deemed appropriate. The timing and amount of stock repurchases, if any, will depend on a variety of factors including the stock price, market conditions, corporate and regulatory requirements, and any additional constraints related to material inside information the Company may possess. Any repurchases have been and are expected to be funded by a combination of available cash flow from the business, working capital and debt.

Pending Acquisition

On July 28, 2021, we signed a definitive agreement to acquire ALE Solutions, Inc. (ALE), a U.S. based leader in lodging solutions to the insurance industry, for approximately $400 million. The transaction is expected to close during the third quarter of 2021, subject to regulatory approval and closing conditions.

Critical accounting policies and estimates

In applying the accounting policies that we use to prepare our consolidated financial statements, we necessarily make accounting estimates that affect our reported amounts of assets, liabilities, revenues and expenses. Some of these estimates require us to make assumptions about matters that are highly uncertain at the time we make the accounting estimates. We base these assumptions and the resulting estimates on historical information and other factors that we believe to be reasonable under the circumstances, and we evaluate these assumptions and estimates on an ongoing basis. In many instances, however, we reasonably could have used different accounting estimates and, in other instances, changes in our accounting estimates could occur from period to period, with the result in each case being a material change in the financial statement presentation of our financial condition or results of operations. We refer to estimates of this type as critical accounting estimates.

Accounting estimates necessarily require subjective determinations about future events and conditions. During the three months ended June 30, 2021, we have not adopted any new critical accounting policies that had a significant impact upon our consolidated financial statements, have not changed any critical accounting policies and have not changed the application of any critical accounting policies from the year ended December 31, 2020. For critical accounting policies, refer to the Critical Accounting Estimates in Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2020 and our summary of significant accounting policies in Note 1 of our Notes to the Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Management's Use of Non-GAAP Financial Measures

We have included in the discussion above certain financial measures that were not prepared in accordance with GAAP. Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP. Below, we define the non-GAAP financial measures, provide a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure calculated in accordance with GAAP, and discuss the reasons that we believe this information is useful to management and may be useful to investors.

Pro forma and macro adjusted revenue and transactions by solution. We define the pro forma and macro adjusted revenue as revenue, net as reflected in our statement of income, adjusted to eliminate the impact of the macroeconomic environment and the impact of acquisitions and dispositions. The macroeconomic environment includes the impact that market fuel price spreads, fuel prices and foreign exchange rates have on our business. We use pro forma and macro adjusted revenue and transactions to evaluate the organic growth in our revenue and the associated transactions.

Organic revenue growth is calculated as revenue growth in the current period adjusted for the impact of changes in the macroeconomic environment (to include fuel price, fuel price spreads and changes in foreign exchange rates) over revenue in the comparable prior period adjusted to include or remove the impact of acquisitions and/or divestitures and non-recurring items that have occurred subsequent to that period. We believe that organic revenue growth on a macro-neutral, one-time item, and consistent acquisition/divestiture/non-recurring item basis is useful to investors for understanding the performance of FLEETCOR.

Set forth below is a reconciliation of pro forma and macro adjusted revenue and key performance metric by solution to the most directly comparable GAAP measure, revenue, net and key performance metric (in millions):

	Revenues, net		Key Performance Metric	
	Three Months Ended June 30,		Three Months Ended June 30,	
(Unaudited)	2021*	2020*	2021*	2020*
FUEL - TRANSACTIONS				
Pro forma and macro adjusted	$ 298.1	$ 250.1	118.3	99.8
Impact of acquisitions/dispositions	—	(0.3)	—	(0.2)
Impact of fuel prices/spread	(13.9)	—	—	—
Impact of foreign exchange rates	10.9	—	—	—
As reported	$ 295.1	$ 249.8	118.3	99.7
CORPORATE PAYMENTS - SPEND				
Pro forma and macro adjusted	$ 135.8	$ 102.7	22,859	17,583
Impact of acquisitions/dispositions	—	(10.2)	—	(3,912)
Impact of fuel prices/spread	0.2	—	—	—
Impact of foreign exchange rates	4.4	—	4	—
As reported	$ 140.4	$ 92.6	22,862	13,672
TOLLS - TAGS				
Pro forma and macro adjusted	$ 70.5	$ 64.8	5.8	5.3
Impact of acquisitions/dispositions	—	—	—	—
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	0.9	—	—	—
As reported	$ 71.3	$ 64.8	5.8	5.3
LODGING - ROOM NIGHTS				
Pro forma and macro adjusted	$ 62.2	$ 44.8	6.6	5.0
Impact of acquisitions/dispositions	—	(4.2)	—	(0.4)
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	—	—	—	—
As reported	$ 62.2	$ 40.6	6.6	4.6
GIFT - TRANSACTIONS				
Pro forma and macro adjusted	$ 32.3	$ 26.5	259.4	188.2
Impact of acquisitions/dispositions	—	—	—	—
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	—	—	—	—
As reported	$ 32.3	$ 26.5	259.4	188.2
OTHER[1]- TRANSACTIONS				
Pro forma and macro adjusted	$ 63.5	$ 50.8	9.3	9.0
Impact of acquisitions/dispositions	—	—	—	—
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	2.5	—	—	—
As reported	$ 66.0	$ 50.8	9.3	9.0
FLEETCOR CONSOLIDATED REVENUES				
Pro forma and macro adjusted	$ 662.3	$ 539.8	Intentionally Left Blank	
Impact of acquisitions/dispositions	—	(14.6)		
Impact of fuel prices/spread[2]	(13.7)	—		
Impact of foreign exchange rates	18.7	—		
As reported	$ 667.4	$ 525.1		

* Columns may not calculate due to rounding.

[1] Other includes telematics, maintenance, food, transportation and payroll card related businesses.

[2] Revenues reflect an estimated $14 million net negative impact of fuel prices and fuel price spreads, with $16 million positive impact from fuel prices and $30 million negative impact from fuel spread.

Adjusted net income and adjusted net income per diluted share. We have defined the non-GAAP measure adjusted net income as net income as reflected in our Statement of Income, adjusted to eliminate (a) non-cash stock based compensation expense related to share based compensation awards, (b) amortization of deferred financing costs, discounts, intangible assets, and amortization of the premium recognized on the purchase of receivables, (c) integration and deal related costs, and (d) other non-recurring items, including unusual credit losses occurring largely, but not necessarily exclusively, due to the COVID-19 pandemic, the impact of discrete tax items, impairment charges, asset write-offs, restructuring costs, gains due to disposition of assets/businesses, loss on extinguishment of debt, and legal settlements.

We have defined the non-GAAP measure adjusted net income per diluted share as the calculation previously noted divided by the weighted average diluted shares outstanding as reflected in our statement of income.

Adjusted net income and adjusted net income per diluted share are supplemental measures of operating performance that do not represent and should not be considered as an alternative to net income, net income per diluted share or cash flow from operations, as determined by U.S. generally accepted accounting principles, or U.S. GAAP. We believe it is useful to exclude non-cash share-based compensation expense from adjusted net income because non-cash equity grants made at a certain price and point in time do not necessarily reflect how our business is performing at any particular time and share based compensation expense is not a key measure of our core operating performance. We also believe that amortization expense can vary substantially from company to company and from period to period depending upon their financing and accounting methods, the fair value and average expected life of their acquired intangible assets, their capital structures and the method by which their assets were acquired; therefore, we have excluded amortization expense from our adjusted net income. Integration and deal related costs represent business acquisition transaction costs, professional services fees, short-term retention bonuses and system migration costs, etc., that are not indicative of the performance of the underlying business. We also believe that certain expenses and recoveries (e.g. legal settlements, write-off of customer receivable, etc.), gains and losses on investments, and impairment charges do not necessarily reflect how our investments and business are performing. We adjust net income for the tax effect of each of these non-tax items.

Management uses adjusted net income, adjusted net income per diluted share and organic revenue growth:

- as measurements of operating performance because they assist us in comparing our operating performance on a consistent basis;
- for planning purposes, including the preparation of our internal annual operating budget;
- to allocate resources to enhance the financial performance of our business; and
- to evaluate the performance and effectiveness of our operational strategies.

Set forth below is a reconciliation of adjusted net income and adjusted net income per diluted share to the most directly comparable U.S. GAAP measure, net income and net income per diluted share (in thousands, except per share amounts)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Unaudited)	**2021**	**2020**	**2021**	**2020**
Net income	$ 196,247	$ 158,488	$ 380,486	$ 305,548
Net income per diluted share	$ 2.30	$ 1.83	$ 4.45	$ 3.50
Stock based compensation	17,885	8,989	35,632	23,164
Amortization[1]	52,525	47,875	102,101	97,917
Investment gain	—	(33,709)	(9)	(31,338)
Loss on extinguishment of debt	6,230	—	6,230	—
Integration and deal related costs	7,823	5,902	11,493	9,267
Restructuring and related (subsidies) costs	(777)	4,727	(1,354)	4,727
Legal settlements/litigation	1,388	944	5,058	(5,037)
Write-off of customer receivable[2]	—	—	—	90,058
Total pre-tax adjustments	85,074	34,727	159,151	188,758
Income taxes[3]	(12,910)	4,211	(29,079)	(32,385)
Adjusted net income	$ 268,411	$ 197,425	$ 510,559	$ 461,922
Adjusted net income per diluted share	$ 3.15	$ 2.28	$ 5.97	$ 5.29
Diluted shares	85,295	86,570	85,528	87,380

[1] Includes amortization related to intangible assets, premium on receivables, deferred financing costs and debt discounts.

[2] Represents a loss in the first quarter of 2020 from a large client in our cross-border payments business entering voluntary bankruptcy due to the impact of the COVID-19 pandemic.

[3] Represents provision for income taxes of pre-tax adjustments. 2021 includes measurement of deferreds due to the increase in UK corporate tax rate from 19% to 25% of $6.5 million. 2020 includes a tax reserve adjustment related to prior year tax positions of $9.8 million.

*Columns may not calculate due to rounding.

Special Cautionary Notice Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws. Statements that are not historical facts, including statements about FLEETCOR's beliefs, expectations and future performance, are forward-looking statements. Forward-looking statements can be identified by the use of words such as "anticipate," "intend," "believe," "estimate," "plan," "seek," "project" or "expect," "may," "will," "would," "could" or "should," the negative of these terms or other comparable terminology.

These forward-looking statements are not a guarantee of performance, and you should not place undue reliance on such statements. We have based these forward-looking statements largely on our current expectations and projections about future events. Forward-looking statements are subject to many uncertainties and other variable circumstances, including those discussed in "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission on February 26, 2021, many of which are outside of our control, that could cause our actual results and experience to differ materially from any forward-looking statement.

These forward-looking statements may not be realized due to a variety of factors, including, without limitation:

- regulatory measures, voluntary actions, or changes in consumer preferences, that impact our transaction volume, including social distancing, shelter-in-place, shutdowns of nonessential businesses and similar measures imposed or undertaken in an effort to contain and mitigate the spread of COVID-19;
- the impact of macroeconomic conditions and whether expected trends, including foreign currency exchange rates, retail fuel prices, fuel price spreads, and fuel transaction patterns, develop as anticipated;
- our ability to successfully execute our strategic plan, manage our growth and achieve our performance targets;
- our ability to attract new and retain existing partners, fuel merchants, and lodging providers, their promotion and support of our solutions, and their financial performance;
- the failure of management assumptions and estimates, as well as differences in, and changes to, economic, market, interest rate, interchange fees, foreign exchange rates, and credit conditions, including changes in borrowers' credit risks and payment behaviors;
- the risk of higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings;
- our ability to successfully manage our credit risks and the sufficiency of our allowance for expected credit losses;
- our ability to securitize our trade receivables;
- the occurrence of fraudulent activity, data breaches or failures of our information security controls or cybersecurity-related incidents that may compromise our systems or customers' information;
- any disruptions in the operations of our computer systems and data centers;
- the international operational and political risks and compliance and regulatory risks and costs associated with international operations;
- our ability to develop and implement new technology, products, and services;
- any alleged infringement of intellectual property rights of others and our ability to protect our intellectual property;
- the regulation, supervision, and examination of our business by foreign and domestic governmental authorities, as well as litigation and regulatory actions, including the lawsuit recently filed by the Federal Trade Commission (FTC);
- the impact of regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering (AML) and anti-terrorism financing laws;
- changes in our senior management team and our ability to attract, motivate and retain qualified personnel consistent with our strategic plan;
- tax legislation initiatives or challenges to our tax positions and/or interpretations, and state sales tax rules and regulations;
- the risks of mergers, acquisitions and divestitures, including, without limitation, the related time and costs of implementing such transactions, integrating operations as part of these transactions and possible failures to achieve expected gains, revenue growth and/or expense savings from such transactions; and
- the other factors and information in our Annual Report on Form 10-K and other filings that we make with the SEC under the Exchange Act and Securities Act. See "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission on February 26, 2021.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this report are made only as of the date hereof. We do not undertake, and specifically disclaim, 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.

You may get FLEETCOR's Securities and Exchange Commission ("SEC") filings for free by visiting the SEC web site at www.sec.gov.

This report includes non-GAAP financial measures, which are used by the Company and investors as supplemental measures to evaluate the overall operating performance of companies in our industry. By providing these non-GAAP financial measures, together with reconciliations, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing strategic initiatives. See "Management's Use of Non-GAAP Financial Measures" elsewhere in this Quarterly Report on Form 10-Q for additional information regarding these GAAP financial measures and a reconciliation to the nearest corresponding GAAP measure.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of June 30, 2021, there have been no material changes to our market risk from that disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of June 30, 2021, management carried out, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2021, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and are designed to ensure that information required to be disclosed in those reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, the Company is involved in various pending or threatened legal actions, arbitration proceedings, claims, subpoenas, and matters relating to compliance with laws and regulations (collectively, "legal proceedings"). Based on our current knowledge, management presently does not believe that the liabilities arising from these legal proceedings will have a material adverse effect on our consolidated financial condition, results of operations or cash flows. However, it is possible that the ultimate resolution of these legal proceedings could have a material adverse effect on our results of operations and financial condition for any particular period.

Derivative Lawsuits

On July 10, 2017, a shareholder derivative complaint was filed against the Company and certain of the Company's directors and officers in the United States District Court for the Northern District of Georgia ("Federal Derivative Action") seeking recovery on behalf of the Company. The Federal Derivative Action alleges that the defendants issued a false and misleading proxy statement in violation of the federal securities laws; that defendants breached their fiduciary duties by causing or permitting the Company to make allegedly false and misleading public statements concerning the Company's fee charges, and financial and business prospects; and that certain defendants breached their fiduciary duties through allegedly improper sales of stock. The complaint seeks unspecified monetary damages on behalf of the Company, corporate governance reforms, disgorgement of profits, benefits and compensation by the defendants, restitution, costs, and attorneys' and experts' fees. On September 20, 2018, the court entered an order deferring the Federal Derivative Action pending a ruling on motions for summary judgment in the shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed to by the parties. After preliminary approval of the proposed settlement of the shareholder class action was granted, the stay on the Federal Derivative Action was lifted. Plaintiffs amended their complaint on February 22, 2020. FLEETCOR filed a motion to dismiss the amended complaint in the Federal Derivative Action on April 17, 2020, which the court granted without leave to amend on October 21, 2020. Plaintiffs filed a notice of appeal to the United States Court of Appeals for the Eleventh Circuit on November 18, 2020. The appeal is pending.

On January 9, 2019, a similar shareholder derivative complaint was filed in the Superior Court of Gwinnett County, Georgia ("State Derivative Action"), which was stayed pending a ruling on motions for summary judgment in the shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed by the parties. On the parties' joint motion, the court has continued the stay of the State Derivative Action "pending further developments in the first-filed Federal Derivative Action." The defendants dispute the allegations in the derivative complaints and intend to vigorously defend against the claims.

FTC Investigation

In October 2017, the Federal Trade Commission ("FTC") issued a Notice of Civil Investigative Demand to the Company for the production of documentation and a request for responses to written interrogatories. After discussions with the Company, the FTC proposed in October 2019 to resolve potential claims relating to the Company's advertising and marketing practices, principally in its U.S. direct fuel card business within its North American Fuel Card business. The parties reached impasse primarily related to what the Company believes are unreasonable demands for redress made by the FTC.

On December 20, 2019, the FTC filed a lawsuit in the Northern District of Georgia against the Company and Ron Clarke. See FTC v. FLEETCOR and Ronald F. Clarke, No. 19-cv-05727 (N.D. Ga.). The complaint alleges the Company and Clarke violated the FTC Act's prohibitions on unfair and deceptive acts and practices. The complaint seeks among other things injunctive relief, consumer redress, and costs of suit. The Company continues to believe that the FTC's claims are without merit and these matters are not and will not be material to the Company's financial performance. On April 17, 2021, the FTC filed a motion for summary judgment. On April 22, 2021, the United States Supreme Court held unanimously in AMG Capital Management v. FTC that the FTC does not have authority under current law to seek monetary redress by means of Section 13(b) of the FTC Act, which is the means by which the FTC has sought such redress in this case. FLEETCOR cross-moved for summary judgment regarding the FTC's ability to seek monetary or injunctive relief on May 17, 2021; the briefing on both parties' summary judgment motions was completed on July 12, 2021. The Company has incurred and continues to incur legal and other fees related to this complaint. Any settlement of this matter, or defense against the lawsuit, could involve costs to the Company, including legal fees, redress, penalties, and remediation expenses. At this time, the Company believes the possible range of outcomes includes continuing litigation or discussions leading to a settlement, or the closure of these matters without further action.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 and Part II, Item 1A, "Risk Factors" in other reports we file with the Securities and Exchange Commission, from time to time, all of which could materially affect our business, financial condition or future results. For example, these risks now include risks related to the COVID-19 pandemic and related economic developments.

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

The Company's Board of Directors has approved a stock repurchase program (as updated from time to time, the "Program") authorizing the Company to repurchase its common stock from time to time until February 1, 2023. On July 27, 2021, the Board increased the aggregate size of the Program by $1 billion, to $5.1 billion, leaving the Company up to $1.6 billion available under the Program for future repurchases in shares of its common stock. Since the beginning of the Program through June 30, 2021, 16,184,095 shares have been repurchased for an aggregate purchase price of $3.5 billion.

Any stock repurchases may be made at times and in such amounts as deemed appropriate. The timing and amount of stock repurchases, if any, will depend on a variety of factors including the stock price, market conditions, corporate and regulatory requirements, and any additional constraints related to material inside information the Company may possess. Any repurchases have been and are expected to be funded by a combination of available cash flow from the business, working capital and debt.

The following table presents information as of June 30, 2021, with respect to purchases of common stock of the Company made during the three months ended June 30, 2021 by the Company as defined in Rule 10b-18(a)(3) under the Exchange Act.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plan	Maximum Value that May Yet be Purchased Under the Publicly Announced Plan (in thousands)
April 1, 2021 through April 30, 2021	10,550	$ 287.39	15,268,225	$ 833,222,564
May 1, 2021 through May 31, 2021	—	$ —	15,268,225	$ 833,222,564
June 1, 2021 through June 30, 2021	915,870	$ 265.51	16,184,095	$ 590,050,450

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit No.	
3.1	Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Annual Report on Form 10-K, File No. 001-35004, filed with the SEC on March 25, 2011)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, File No. 001-35004, file with the SEC on June 8, 2018)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, File No. 001-35004, filed with the SEC on June 14, 2019)
3.4	Amended and Restated Bylaws of FLEETCOR Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K, File No. 001-35004, filed with the SEC on October 28, 2020)
10.1	Eighth Amendment to the Fifth Amended and Restated Receivables Purchase Agreement, dated March 29, 2021 by and among FleetCor Funding LLC, FleetCor Technologies Operating Company, LLC, PNC Bank, National Association as administrator for a group of purchasers and purchaser agents, and certain other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q, File No. 001-35004, filed with the SEC on May 10, 2021)
10.2	Ninth Amendment to Credit Agreement, dated as of April 30, 2021 among FLEETCOR Technologies Operating Company, LLC, as the Company, FLEETCOR Technologies, Inc., as the Parent, the designated borrowers party hereto, Bank of America, N.A., as administrative agent, swing line lender and L/C issuer, and the other borrowers hereto (incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q, File No. 001-35004, filed with the SEC on May 10, 2021)
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and rule 15d-14(a) of the Securities Exchange Act, as amended
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and rule 15d-14(a) of the Securities Exchange Act, as amended
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2001
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2001
101*	The following financial information for the Registrant formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Unaudited Consolidated Statements of Income, (iii) the Unaudited Consolidated Statements of Comprehensive Income; (iv) the Unaudited Consolidated Statements of Cash Flows and (v) the Notes to Unaudited Consolidated Financial Statements
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed Herein

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, in their capacities indicated on August 9, 2021.

FLEETCOR Technologies, Inc.
(Registrant)

Signature	Title
/s/ Ronald F. Clarke Ronald F. Clarke	President, Chief Executive Officer and Chairman of the Board of Directors (Duly Authorized Officer and Principal Executive Officer)
/s/ Charles R. Freund Charles R. Freund	Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATIONS

I, Ronald F. Clarke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FLEETCOR Technologies, Inc.;

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; and

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.

/s/ Ronald F. Clarke

Ronald F. Clarke
Chief Executive Officer

August 9, 2021

Exhibit 31.2

CERTIFICATIONS

I, Charles R. Freund, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FLEETCOR Technologies, Inc.;

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; and

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.

/s/ Charles R. Freund

Charles R. Freund
Chief Financial Officer

August 9, 2021

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of FLEETCOR Technologies, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the period ended June 30, 2021, as filed with the Securities and Exchange Commission (the "Report"), Ronald F. Clarke, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ronald F. Clarke

Ronald F. Clarke
Chief Executive Officer

August 9, 2021

[A signed original of this written statement required by Section 906 has been provided to FLEETCOR Technologies, Inc. and will be retained by FLEETCOR Technologies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

Exhibit 32.2

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of FLEETCOR Technologies, Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended June 30, 2021, as filed with the Securities and Exchange Commission (the “Report”), Charles R. Freund, Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles R. Freund
Charles R. Freund
Chief Financial Officer

August 9, 2021

[A signed original of this written statement required by Section 906 has been provided to FLEETCOR Technologies, Inc. and will be retained by FLEETCOR Technologies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]