

# Fleetcor Processes Payments on Proprietary Networks

Spend management specialist Fleetcor serves more than 880,000 customers in three operating divisions—vehicle payments, corporate payments and lodging payments. It plans to gain more transactions by going deeper within its existing businesses and geographies to find new opportunities, including expanding services to consumers.

Two examples include opening business-to-business (B2B) networks, such as EV charging and service locations, to consumer payments, and adding B2B transactions to what had been predominantly a business-to-consumer (B2C) network leveraging recently acquired PayByPhone.

Fleetcor's annual revenue was \$3.73 billion in the fiscal year ended September 30, 2023. Slightly more than half of that revenue came from commercial fuel cards in Australia, Brazil, Canada, Europe (including the UK), Mexico and the US. Fleet operators in those countries use proprietary Fleetcor cards to fuel and service their vehicles.

Brazil is a testing ground for Fleetcor's expansion model. There, the company owns Sem Parar, whose core business is RFID tags used by more than six million people to pay fees for tolls. Fleetcor has pushed for growth of a Sem Parar mobile app that now has an average of three million users monthly. The app and tag facilitate payments for insurance, fuel, parking and drive-thru restaurants. Over 60% of app users purchase two or more products monthly.

Fleetcor also earns commissions from retailers that sell to its customer base from within the app.

The Corporate Payments division accounts for about \$1.00 billion in revenue annually, approximately 25% of the company's total. That business includes commercial cards (Comdata Mastercard, Corpay One and Comdata Connect), accounts payable automation, a bill payment service and cross-border payments.

Some corporate payment customers also provide Fleetcor with their complete accounts payable file. This allows Fleetcor to make payments on their behalf using the ACH, checks or virtual Mastercard cards.

Comdata Connect Card launched last month. It links to a user's personal bank account and/or other credit cards, providing choice on whether to have spending be credit or debit.

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Cross-border payments are handled for 25,000 customers in more than 145 currencies. Fleetcor holds 60 bank licenses.

In lodging, the company has built a network of 40,000 hotel rooms, mostly in the US. Its customers make reservations online, and Fleetcor pays the hotel on their behalf, which reduces employee reimbursement obligations.

Customers include airlines that need rooms for their crews, as well as for passengers who need emergency lodging, insurance companies that need accommodations for policyholders displaced by disasters, workforces and others.

Fleetcor closed the purchase of Canada-based PayByPhone last month. That company operates a network of parking locations in metro areas in the US, the UK and continental Europe. Consumers can locate and pay for spaces using a mobile app.

In the UK, Fleetcor has started to offer PayByPhone to the one million drivers among its commercial fleet customers. It will update the PayByPhone app with a new user interface to give consumers access to its fuel network, EV charging and service locations.

Fleetcor has spent \$150 million over the last three years to prepare for the transition to electric vehicles. One asset is a network of 550,000 EV chargers, including Tesla Supercharger locations in Europe.

The company is also able to give fleet operators in Europe the ability to pay bills for employees who use their own homes to charge company vehicles.

#### INTERVIEWED FOR THIS ARTICLE

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