FLEETCOR

FLEETCOR's Strong 2022 Provides Optimism in Uncertain 2023

February 21, 2023

SOURCE:

Jim Eglseder, SVP, Global Investor Relations

After closing 2022 with a fourth quarter that exceeded guidance, we're optimistic about our prospects for another year of expected performance despite uncontrollable external factors like inflation, interest rates and the prospect of an economic slowdown. Building on more than a decade of growth with a CAGR around 20%, FLEETCOR continues to grow both organically and through acquisitions to deliver steady returns to shareholders.

Outstanding Performance in 2022

FLEETCOR Chairman and CEO Ron Clarke said it best in our fourth quarter earnings press release, "Our full year 2022 financial performance was absolutely outstanding, with 21% revenue growth, and 22% adjusted earnings per share growth. Additionally, we made meaningful advances on our EV capabilities and are running hard at that big opportunity."

We reported record revenue of $3.4 billion in 2022, up 21% or almost $600 million over 2021. Our cash EPS for the year was $16.10, up 22% over the prior year, and a full $0.85 ahead of our initial 2022 guidance. Our full-year organic revenue growth was 13%, and our full-year sales grew 21%. We also closed five capability acquisitions including the Global Reach Group deal on January 1. So, you can understand why Ron considers 2022 an outstanding year.

In addition to surpassing our financial goals in 2022, we advanced our "Beyond" strategy in a meaningful way by strengthening overall our business solutions and retaining a large percentage of existing customers. This is important as we look to grow our total addressable market and better position our business for both 2023 and long-term growth.

Getting Down to Business

In our global fleet business, we made significant progress on our EV capabilities. We acquired a European public charging network to add to our mapping and payment applications and home charging software. We have integrated all of these capabilities with our internal combustion engine (ICE) fueling solutions.

In our corporate payments business, Corpay, we added an AP automation software front end to our AP payment execution business, which is the company's fastest growing business. Corporate payments' average revenue growth of 20% was driven by continued strong new sales across both direct and cross border.

In our lodging business, we've gone beyond our core workforce business to two new verticals, airline and insurance, with each reaching almost $100 million in revenue in 2022. We also extended our core hotel business from North America to Europe through a 2022 acquisition.

In our Brazilian electronic contactless payment business, we continued to grow our tag solution, expanding to more sites and users, topping 10 million transactions last year. Our vehicle tags now work on all toll roads in Brazil as well as many parking facilities, gas stations, and restaurant drive-thrus.

The 2023 Plan

We built a 2023 plan designed for resilience in a challenging macro environment. While you can check out our first quarter guidance online, the key goal to keep in mind are 10% organic driven by strong new sales growth. Our confidence in the plan is driven by several things:

- We have granular growth plans in all of our businesses, which will build on the recurring revenue from our base of customers.
- We are managing expenses carefully and are seeing some recent improvement in both fuel price and FX trends.
- We recently implemented interest rate swaps on some of our debt that will lower our 2023 interest expense.

What It Means

Unfortunately, no one has a crystal ball into how 2023 will play out, but we're confident in our plan and the ability of our 10,000-plus employees worldwide to execute it. My hope is that in 12 months, FLEETCOR will be celebrating another banner year and setting the bar even higher for 2024. In the meantime, to learn more about what drives FLEETCOR's consistent growth and success for the past 22 years, visitor the Investor section of our website.