

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 March 31, 2024

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

**Corpay, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

72-1074903

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

3280 Peachtree Road, Suite 2400

Atlanta

Georgia

30305

(Address of principal executive offices)

(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        | CPAY              | 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.

| <u>Class</u>                    | <u>Outstanding at May 2, 2024</u> |
|---------------------------------|-----------------------------------|
| Common Stock, \$0.001 par value | 70,268,506                        |

**Corpay, Inc. and Subsidiaries**  
**FORM 10-Q**  
**For the Three Months Ended March 31, 2024**

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**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Corpay, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
*(In Thousands, Except Share and Par Value Amounts)*

|   | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|---|-----------------------|--------------------------|
|   | (Unaudited)           |                          |
| <b>Assets</b>   |                       |                          |
| Current assets:   |                       |                          |
| Cash and cash equivalents   | \$ 1,311,949          | \$ 1,389,648             |
| Restricted cash   | 1,890,727             | 1,751,887                |
| Accounts and other receivables (less allowance for credit losses of \$ 184,887 at March 31, 2024 and \$180,163 at December 31, 2023)  | 2,376,003             | 2,161,586                |
| Securitized accounts receivable—restricted for securitization investors   | 1,421,000             | 1,307,000                |
| Prepaid expenses and other current assets   | 437,687               | 474,144                  |
| Total current assets  | 7,437,366             | 7,084,265                |
| Property and equipment, net   | 351,831               | 343,154                  |
| Goodwill  | 5,673,732             | 5,644,958                |
| Other intangibles, net  | 2,033,106             | 2,085,663                |
| Investments   | 68,299                | 69,521                   |
| Other assets  | 265,797               | 248,691                  |
| Total assets  | <u>\$ 15,830,131</u>  | <u>\$ 15,476,252</u>     |
| <b>Liabilities and equity</b>   |                       |                          |
| Current liabilities:  |                       |                          |
| Accounts payable  | \$ 1,849,958          | \$ 1,624,995             |
| Accrued expenses  | 408,661               | 356,118                  |
| Customer deposits   | 2,534,349             | 2,397,279                |
| Securitization facility   | 1,421,000             | 1,307,000                |
| Current portion of notes payable and lines of credit  | 480,433               | 819,749                  |
| Other current liabilities   | 256,527               | 320,612                  |
| Total current liabilities   | 6,950,928             | 6,825,753                |
| Notes payable and other obligations, less current portion   | 4,862,621             | 4,596,156                |
| Deferred income taxes   | 473,250               | 470,232                  |
| Other noncurrent liabilities  | 261,062               | 301,752                  |
| Total noncurrent liabilities  | <u>5,596,933</u>      | <u>5,368,140</u>         |
| Commitments and contingencies (Note 12)   |                       |                          |
| Stockholders' equity:   |                       |                          |
| Common stock, \$0.001 par value; 475,000,000 shares authorized; 129,604,492 shares issued and 71,463,894 shares outstanding at March 31, 2024; and 128,759,639 shares issued and 71,715,804 shares outstanding at December 31, 2023 | 130                   | 129                      |
| Additional paid-in capital  | 3,382,001             | 3,266,185                |
| Retained earnings   | 8,422,428             | 8,192,659                |
| Accumulated other comprehensive loss  | (1,340,847)           | (1,289,099)              |
| Less treasury stock, 58,140,598 shares at March 31, 2024 and 57,043,835 shares at December 31, 2023   | (7,209,291)           | (6,887,515)              |
| Total Corpay stockholders' equity   | <u>3,254,421</u>      | <u>3,282,359</u>         |
| Noncontrolling interest   | 27,849                | —                        |
| Total equity  | <u>3,282,270</u>      | <u>3,282,359</u>         |
| Total liabilities and equity  | <u>\$ 15,830,131</u>  | <u>\$ 15,476,252</u>     |

See accompanying notes to unaudited consolidated financial statements.

**Corpay, Inc. and Subsidiaries**  
**Unaudited Consolidated Statements of Income**  
*(In Thousands, Except Per Share Amounts)*

|  | <b>Three Months Ended March 31,</b> |                   |
|--|-------------------------------------|-------------------|
|  | <b>2024</b>                         | <b>2023</b>       |
| Revenues, net  | \$ 935,251                          | \$ 901,333        |
| Expenses:  |                                     |                   |
| Processing   | 207,411                             | 204,967           |
| Selling  | 94,188                              | 81,592            |
| General and administrative                               | 151,262                             | 154,684           |
| Depreciation and amortization                            | 84,760                              | 84,232            |
| Other operating, net                                     | 292                                 | 663               |
| Operating income   | <u>397,338</u>                      | <u>375,195</u>    |
| Other expenses:  |                                     |                   |
| Investment gain  | (167)                               | (190)             |
| Other expense, net                                       | 3,127                               | 746               |
| Interest expense, net                                    | 89,088                              | 79,795            |
| Total other expense                                      | <u>92,048</u>                       | <u>80,351</u>     |
| Income before income taxes                               | 305,290                             | 294,844           |
| Provision for income taxes                               | <u>75,487</u>                       | <u>80,009</u>     |
| Net income   | <u>229,803</u>                      | <u>214,835</u>    |
| Less: Net income attributable to noncontrolling interest | 34                                  | —                 |
| Net income attributable to Corpay                        | <u>\$ 229,769</u>                   | <u>\$ 214,835</u> |
| Earnings per share:                                      |                                     |                   |
| Basic earnings per share attributable to Corpay          | <u>\$ 3.20</u>                      | <u>\$ 2.92</u>    |
| Diluted earnings per share attributable to Corpay        | <u>\$ 3.12</u>                      | <u>\$ 2.88</u>    |
| Weighted average shares outstanding:                     |                                     |                   |
| Basic shares   | <u>71,769</u>                       | <u>73,521</u>     |
| Diluted shares   | <u>73,545</u>                       | <u>74,483</u>     |

See accompanying notes to unaudited consolidated financial statements.

**Corpay, Inc. and Subsidiaries**  
**Unaudited Consolidated Statements of Comprehensive Income**  
**(In Thousands)**

|  | <b>Three Months Ended March<br/>31,</b> |                   |
|--|---|-------------------|
|  | <b>2024</b>                             | <b>2023</b>       |
| Net income   | \$ 229,803                              | \$ 214,835        |
| Other comprehensive (loss) income:                         |   |                   |
| Foreign currency translation (losses) gains, net of tax    | (96,112)                                | 81,107            |
| Net change in derivative contracts, net of tax             | 44,122                                  | (5,473)           |
| Total other comprehensive (loss) income, net of tax        | <u>(51,990)</u>                         | <u>75,634</u>     |
| Total comprehensive income                                 | 177,813                                 | 290,469           |
| Comprehensive loss attributable to noncontrolling interest | 208                                     | —                 |
| Comprehensive income attributable to Corpay                | <u>\$ 178,021</u>                       | <u>\$ 290,469</u> |

See accompanying notes to unaudited consolidated financial statements.

**Corpay, Inc. and Subsidiaries**  
**Unaudited Consolidated Statements of Equity**  
*(In Thousands)*

|  | Accumulated   |                     |                     |                       |                       |                     |                  |                     |
|--|---------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|------------------|---------------------|
|  | Additional    |                     | Other               |                       | Total Corpay          |                     |                  |                     |
|  | Common        | Paid-In             | Retained            | Comprehensive         | Treasury              | Stockholders'       | Noncontrolling   | Interest            |
|  | Stock         | Capital             | Earnings            | Loss                  | Stock                 | Equity              | Interest         | Total Equity        |
| Balance at December 31, 2023           | \$ 129        | \$ 3,266,185        | \$ 8,192,659        | \$ (1,289,099)        | \$ (6,887,515)        | \$ 3,282,359        | \$ —             | \$ 3,282,359        |
| Net income                             | —             | —                   | 229,769             | —                     | —                     | 229,769             | 34               | 229,803             |
| Other comprehensive loss, net of tax   | —             | —                   | —                   | (51,748)              | —                     | (51,748)            | (242)            | (51,990)            |
| Acquisition of noncontrolling interest | —             | —                   | —                   | —                     | —                     | —                   | 28,057           | 28,057              |
| Acquisition of common stock            | —             | —                   | —                   | —                     | (321,776)             | (321,776)           | —                | (321,776)           |
| Stock-based compensation               | —             | 24,979              | —                   | —                     | —                     | 24,979              | —                | 24,979              |
| Issuance of common stock               | 1             | 90,837              | —                   | —                     | —                     | 90,838              | —                | 90,838              |
| Balance at March 31, 2024              | <u>\$ 130</u> | <u>\$ 3,382,001</u> | <u>\$ 8,422,428</u> | <u>\$ (1,340,847)</u> | <u>\$ (7,209,291)</u> | <u>\$ 3,254,421</u> | <u>\$ 27,849</u> | <u>\$ 3,282,270</u> |

|  | Accumulated   |                     |                     |                       |                       |                     |                |                     |
|--|---------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|----------------|---------------------|
|  | Additional    |                     | Other               |                       | Total Corpay          |                     |                |                     |
|  | Common        | Paid-In             | Retained            | Comprehensive         | Treasury              | Stockholders'       | Noncontrolling | Interest            |
|  | Stock         | Capital             | Earnings            | Loss                  | Stock                 | Equity              | Interest       | Total Equity        |
| Balance at December 31, 2022           | \$ 128        | \$ 3,049,570        | \$ 7,210,769        | \$ (1,509,650)        | \$ (6,209,324)        | \$ 2,541,493        | \$ —           | \$ 2,541,493        |
| Net income                             | —             | —                   | 214,835             | —                     | —                     | 214,835             | —              | 214,835             |
| Other comprehensive income, net of tax | —             | —                   | —                   | 75,634                | —                     | 75,634              | —              | 75,634              |
| Acquisition of common stock            | —             | —                   | —                   | —                     | (9,597)               | (9,597)             | —              | (9,597)             |
| Stock-based compensation               | —             | 26,096              | —                   | —                     | —                     | 26,096              | —              | 26,096              |
| Issuance of common stock               | —             | 33,399              | —                   | —                     | —                     | 33,399              | —              | 33,399              |
| Balance at March 31, 2023              | <u>\$ 128</u> | <u>\$ 3,109,065</u> | <u>\$ 7,425,604</u> | <u>\$ (1,434,016)</u> | <u>\$ (6,218,921)</u> | <u>\$ 2,881,860</u> | <u>\$ —</u>    | <u>\$ 2,881,860</u> |

See accompanying notes to unaudited consolidated financial statements.

**Corpay, Inc. and Subsidiaries**  
**Unaudited Consolidated Statements of Cash Flows**  
*(In Thousands)*

|   | <b>Three Months Ended</b> |                     |
|---|---------------------------|---------------------|
|   | <b>2024</b>               | <b>2023</b>         |
| <b>Operating activities</b>   |                           |                     |
| Net income  | \$ 229,803                | \$ 214,835          |
| Adjustments to reconcile net income to net cash provided by operating activities: |                           |                     |
| Depreciation  | 28,931                    | 25,980              |
| Stock-based compensation  | 24,979                    | 26,096              |
| Provision for credit losses on accounts and other receivables                     | 25,342                    | 39,270              |
| Amortization of deferred financing costs and discounts                            | 2,029                     | 1,787               |
| Amortization of intangible assets and premium on receivables                      | 55,829                    | 58,252              |
| Deferred income taxes   | 647                       | (499)               |
| Investment gain   | (167)                     | (190)               |
| Other non-cash operating expense, net   | 292                       | 663                 |
| Changes in operating assets and liabilities (net of acquisitions):                |                           |                     |
| Accounts and other receivables  | (382,889)                 | 372,342             |
| Prepaid expenses and other current assets   | (12,587)                  | 40,099              |
| Derivative assets and liabilities, net  | 1,452                     | (28,223)            |
| Other assets  | (22,021)                  | 25,141              |
| Accounts payable, accrued expenses and customer deposits                          | 398,544                   | 102,112             |
| Net cash provided by operating activities   | <u>350,184</u>            | <u>877,665</u>      |
| <b>Investing activities</b>   |                           |                     |
| Acquisitions, net of cash acquired  | (56,325)                  | (126,691)           |
| Purchases of property and equipment   | (41,193)                  | (36,737)            |
| Other   | (4,826)                   | 4,401               |
| Net cash used in investing activities   | <u>(102,344)</u>          | <u>(159,027)</u>    |
| <b>Financing activities</b>   |                           |                     |
| Proceeds from issuance of common stock  | 90,838                    | 33,399              |
| Repurchase of common stock  | (288,833)                 | (9,597)             |
| Borrowings on securitization facility, net  | 114,000                   | (3,000)             |
| Deferred financing costs  | (3,176)                   | —                   |
| Proceeds from notes payable   | 325,000                   | —                   |
| Principal payments on notes payable   | (25,531)                  | (23,500)            |
| Borrowings from revolver  | 1,570,000                 | 1,964,000           |
| Payments on revolver  | (1,866,000)               | (2,490,000)         |
| (Payments) borrowings on swing line of credit, net                                | (75,429)                  | 310,719             |
| Other   | 580                       | 264                 |
| Net cash used in financing activities   | <u>(158,551)</u>          | <u>(217,715)</u>    |
| Effect of foreign currency exchange rates on cash                                 | (28,148)                  | 29,298              |
| Net increase in cash and cash equivalents and restricted cash                     | 61,141                    | 530,221             |
| Cash and cash equivalents and restricted cash, beginning of period                | 3,141,535                 | 2,289,180           |
| Cash and cash equivalents and restricted cash, end of period                      | <u>\$ 3,202,676</u>       | <u>\$ 2,819,401</u> |
| <b>Supplemental cash flow information</b>   |                           |                     |
| Cash paid for interest  | \$ 115,773                | \$ 104,650          |
| Cash paid for income taxes  | \$ 38,925                 | \$ 35,442           |

See accompanying notes to unaudited consolidated financial statements.

**Corpay, Inc. and Subsidiaries**  
**Notes to Unaudited Consolidated Financial Statements**  
**March 31, 2024**

**1. Summary of Significant Accounting Policies**

**Basis of Presentation**

Throughout this Quarterly Report on Form 10-Q, the terms "our," "we," "us," and the "Company" refers to Corpay, Inc. and its subsidiaries. Effective March 25, 2024, FLEETCOR Technologies, Inc. changed its corporate name to Corpay, Inc. At that time, the Company ceased trading under the ticker symbol "FLT" and began trading under our new ticker symbol, "CPAY," on the New York Stock Exchange ("NYSE") effective March 25, 2024.

The Company prepared the accompanying unaudited interim consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made are adequate to make the information not misleading. In our opinion, 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, 2023.

**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 to us as of March 31, 2024 and through the date of this Quarterly Report. The accounting estimates used in the preparation of the Company's interim 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.

**Foreign Currency Translation**

Assets and liabilities of foreign subsidiaries as well as intra-entity balances denominated in foreign currency and designated for long-term investment 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 loss. 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 losses, which are recorded within Other expense, net in the Unaudited Consolidated Statements of Income, for the three months ended March 31, 2024 and 2023 as follows (in millions):

|                         | <b>Three Months Ended March 31,</b> |             |
|-------------------------|-------------------------------------|-------------|
|                         | <b>2024</b>                         | <b>2023</b> |
| Foreign exchange losses | \$ 3.1                              | \$ 0.7      |

The Company recorded foreign currency losses and gains on long-term intra-entity transactions included as a component of Foreign currency translation (losses) gains, net of tax, in the Unaudited Consolidated Statements of Comprehensive Income for the three months ended March 31, 2024 and 2023 as follows (in millions):

|  | <b>Three Months Ended March 31,</b> |             |
|--|-------------------------------------|-------------|
|  | <b>2024</b>                         | <b>2023</b> |
| Foreign currency losses (gains) on long-term intra-entity transactions | \$ 12.4                             | \$ (4.9)    |

**Cash, Cash Equivalents, and Restricted Cash**

Cash equivalents primarily consist of a) cash on hand, b) highly liquid investments with original maturities of three months or less, such as certificates of deposit, treasury bills and money market funds, and c) customer deposits repayable on demand without legal restrictions. Restricted cash primarily represents a) customer deposits repayable on demand held in certain geographies with legal restrictions contractually set aside to fulfill payment obligations on a customer's behalf, b) 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 and secure and settle cross-currency transactions, and c) collateral posted with banks for hedging positions in our cross-border payments business.

## Financial Instruments - Credit Losses

The Company accounts for financial assets' expected credit losses in accordance with Accounting Standards Codification (ASC) 326, "Financial Instruments - Credit Losses". 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. The Company's provision for credit losses is recorded within processing expenses in the Unaudited Consolidated Statements of Income.

## 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 or geographically-defined categories, including Vehicle Payments, Corporate Payments, Lodging Payments and Other. 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 products. The Company also provides other payment solutions for fleet maintenance, employee benefits and long haul transportation-related services.

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". Revenues from contracts with customers, within the scope of ASC 606, "Revenue Recognition", represent approximately 86% and 87% of total consolidated revenues, net, for the three months ended March 31, 2024 and 2023, respectively. In its cross-border payments business, the Company enters into foreign currency forwards, option derivative contracts and swaps for its customers to facilitate future payments in foreign currencies. These contracts are accounted for in accordance with ASC 815, "Derivatives and Hedging" and represent approximately 7% of total consolidated revenues for the three months ended March 31, 2024 and 2023. Additionally, the Company accounts for revenue from late fees and finance charges, in jurisdictions where permitted under local regulations, primarily in the U.S., Canada and Brazil, 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 and represent approximately 4% and 5% of total consolidated revenues, net for the three months ended March 31, 2024 and 2023, respectively. The Company's remaining revenue represents float revenue earned on invested customer funds in jurisdictions where permitted. Such revenue represented approximately 3% and 1% of consolidated revenues, net for the three months ended March 31, 2024 and 2023, respectively.

### Disaggregation of Revenues

Revenues, net by segment for the three months ended March 31, 2024 and 2023 was as follows (in millions, except percentages):

| <b>Revenues, net by Segment*</b>  | <b>Three Months Ended March 31,</b> |              |                 |              |
|-----------------------------------|-------------------------------------|--------------|-----------------|--------------|
|                                   | <b>2024</b>                         | <b>%</b>     | <b>2023</b>     | <b>%</b>     |
| Vehicle Payments                  | \$ 494.1                            | 53 %         | \$ 495.5        | 55 %         |
| Corporate Payments                | 265.4                               | 28 %         | 226.2           | 25 %         |
| Lodging Payments                  | 111.3                               | 12 %         | 122.3           | 14 %         |
| Other                             | 64.5                                | 7 %          | 57.3            | 6 %          |
| <b>Consolidated revenues, net</b> | <b>\$ 935.3</b>                     | <b>100 %</b> | <b>\$ 901.3</b> | <b>100 %</b> |

\*Columns may not calculate due to rounding.

Revenue by geography for the three months ended March 31, 2024 and 2023 was as follows (in millions, except percentages):

| <u>Revenues, net by Geography*</u> | Three Months Ended March 31, |       |          |       |
|------------------------------------|------------------------------|-------|----------|-------|
|                                    | 2024                         | %     | 2023     | %     |
| United States                      | \$ 504.6                     | 54 %  | \$ 513.6 | 57 %  |
| Brazil                             | 148.4                        | 16 %  | 121.7    | 14 %  |
| United Kingdom                     | 121.4                        | 13 %  | 107.7    | 12 %  |
| Other                              | 160.8                        | 17 %  | 158.2    | 18 %  |
| Consolidated revenues, net         | \$ 935.3                     | 100 % | \$ 901.3 | 100 % |

\*Columns may not calculate due to rounding.

#### Contract Liabilities

Deferred revenue contract liabilities for customers subject to ASC 606 were \$ 42.4 million and \$45.7 million as of March 31, 2024 and December 31, 2023, respectively. We expect to recognize approximately \$29.4 million of these amounts in revenues within 12 months and the remaining \$13.0 million over the next five years as of March 31, 2024. Revenue recognized in the three months ended March 31, 2024 that was included in the deferred revenue contract liability as of December 31, 2023 was approximately \$15.7 million.

#### **Spot Trade Offsetting**

The Company uses spot trades to facilitate cross-currency corporate payments in its cross-border payments business. The Company applies offsetting to spot trade assets and liabilities associated with contracts that include master netting agreements with the same counterparty, 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 March 31, 2024 and December 31, 2023 (in millions):

|                     | March 31, 2024 |                             |          | December 31, 2023 |              |                             |     |
|---------------------|----------------|-----------------------------|----------|-------------------|--------------|-----------------------------|-----|
|                     | Gross          | Offset on the Balance Sheet |          | Net               | Gross        | Offset on the Balance Sheet | Net |
|                     |                |                             |          |                   |              |                             |     |
| <b>Assets</b>       |                |                             |          |                   |              |                             |     |
| Accounts Receivable | \$ 1,881.7     | \$ (1,713.6)                | \$ 168.1 | \$ 2,499.9        | \$ (2,373.8) | \$ 126.1                    |     |
| <b>Liabilities</b>  |                |                             |          |                   |              |                             |     |
| Accounts Payable    | \$ 1,793.9     | \$ (1,713.6)                | \$ 80.3  | \$ 2,457.3        | \$ (2,373.8) | \$ 83.5                     |     |

#### **Reclassifications**

Segment disclosures for the prior period have been reclassified to conform with current segment presentation.

#### **Recent Accounting Pronouncements Not Yet Adopted**

##### *Segment Reporting*

In November 2023, the Financial Accounting Standards Board (FASB) issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The amendments are intended to increase reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. We are currently evaluating the impact of this guidance on the disclosures within our consolidated financial statements.

##### *Income Taxes*

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). The amendments require disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. The ASU is effective for fiscal years beginning after December 15, 2024, with early

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adoption permitted. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the impact that this guidance will have on the disclosures within our consolidated financial statements.

### **2. Accounts and Other Receivables**

The Company's accounts and securitized accounts receivable include the following at March 31, 2024 and December 31, 2023 (in thousands):

|  | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|--|-----------------------|--------------------------|
| Gross domestic accounts receivable                       | \$ 999,674            | \$ 921,206               |
| Gross domestic securitized accounts receivable           | 1,421,000             | 1,307,000                |
| Gross foreign receivables                                | 1,561,216             | 1,420,543                |
| Total gross receivables                                  | 3,981,890             | 3,648,749                |
| Less allowance for credit losses                         | (184,887)             | (180,163)                |
| <b>Net accounts and securitized accounts receivables</b> | <b>\$ 3,797,003</b>   | <b>\$ 3,468,586</b>      |

The Company maintains a \$1.7 billion revolving trade accounts receivable securitization facility (as amended from time to time, the "Securitization Facility"). Accounts receivable collateralized within our Securitization Facility primarily relate to trade receivables resulting primarily from charge card activity and other customer receivables in the U.S. Pursuant to the terms of the Securitization Facility, the Company transfers in the form of a legal sale certain of its domestic receivables, on a revolving basis, to FLEETCOR Funding LLC ("Funding"), a wholly-owned bankruptcy remote consolidated subsidiary. In turn, Funding transfers in the form of a legal sale, without recourse, on a revolving basis, an undivided ownership interest in this pool of accounts receivable to unrelated transferees (i.e., multi-seller banks and asset-backed commercial paper conduits). Funding retains a residual, subordinated interest in cash flow distribution from the transferred receivables and provides to the transferees an incremental pledge of unsold receivables as a form of over-collateralization to enhance the credit of the transferred receivables. Purchases by the banks and conduits are generally financed with the sale of highly-rated commercial paper.

The Company utilizes proceeds from the securitized 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. Funding determines the level of funding achieved by the sale of trade accounts receivable, subject to a maximum amount. As the Company maintains certain continuing involvement in the transferred/sold receivables, it does not derecognize the receivables from its Consolidated Balance Sheets. Instead, the Company records cash proceeds and any residual interest received as a Securitization Facility liability.

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. The maturity date for the Company's Securitization Facility is August 18, 2025.

A roll forward of the Company's allowance for credit losses related to accounts receivable for the three months ended March 31, 2024 and 2023 is as follows (in thousands):

|  | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| Allowance for credit losses beginning of period  | \$ 180,163        | \$ 149,846        |
| Provision for credit losses                      | 25,342            | 39,270            |
| Write-offs                                       | (19,532)          | (34,128)          |
| Recoveries                                       | 3,093             | 2,444             |
| Impact of foreign currency                       | (4,179)           | 3,156             |
| <b>Allowance for credit losses end of period</b> | <b>\$ 184,887</b> | <b>\$ 160,588</b> |

The provision for credit losses and write-offs decreased during the three months ended March 31, 2024 versus the comparable prior period primarily due to improved customer loss rates in the Company's U.S. Vehicle Payments business.

### **3. Fair Value Measurements**

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 as of March 31, 2024 and December 31, 2023 (in thousands):

|   | Fair Value   | Level 1 | Level 2      | Level 3 |
|---|--------------|---------|--------------|---------|
| <b>March 31, 2024</b>                                     |              |         |              |         |
| Assets:   |              |         |              |         |
| Overnight deposits  | \$ 252,146   | \$ —    | \$ 252,146   | \$ —    |
| Money market  | 149,686      | —       | 149,686      | —       |
| Certificates of deposit                                   | 285,313      | —       | 285,313      | —       |
| Treasury bills  | 59,075       | —       | 59,075       | —       |
| Interest rate swaps                                       | 36,654       | —       | 36,654       | —       |
| Cross-currency interest rate swap                         | 7,922        | —       | 7,922        | —       |
| Foreign exchange contracts                                | 252,914      | —       | 252,914      | —       |
| Total assets  | \$ 1,043,710 | \$ —    | \$ 1,043,710 | \$ —    |
| Cash collateral for foreign exchange contracts            | \$ 36,929    |         |              |         |
| Liabilities:  |              |         |              |         |
| Interest rate swaps                                       | \$ 16,823    | \$ —    | \$ 16,823    | \$ —    |
| Cross-currency interest rate swap                         | 9,498        | —       | 9,498        | —       |
| Foreign exchange contracts                                | 178,895      | —       | 178,895      | —       |
| Total liabilities   | \$ 205,216   | \$ —    | \$ 205,216   | \$ —    |
| Cash collateral obligation for foreign exchange contracts | \$ 155,781   |         |              |         |
| <b>December 31, 2023</b>                                  |              |         |              |         |
| Assets:   |              |         |              |         |
| Overnight deposits  | \$ 256,466   | \$ —    | \$ 256,466   | \$ —    |
| Money market  | 376,465      | —       | 376,465      | —       |
| Certificates of deposit                                   | 266,316      | —       | 266,316      | —       |
| Treasury bills  | 236,505      | —       | 236,505      | —       |
| Interest rate swaps                                       | 23,485       | —       | 23,485       | —       |
| Foreign exchange contracts                                | 320,216      | —       | 320,216      | —       |
| Total assets  | \$ 1,479,453 | \$ —    | \$ 1,479,453 | \$ —    |
| Cash collateral for foreign exchange contracts            | \$ 39,219    |         |              |         |
| Liabilities:  |              |         |              |         |
| Interest rate swaps                                       | \$ 55,796    | \$ —    | \$ 55,796    | \$ —    |
| Cross-currency interest rate swap                         | 14,522       | —       | 14,522       | —       |
| Foreign exchange contracts                                | 244,745      | —       | 244,745      | —       |
| Total liabilities   | \$ 315,063   | \$ —    | \$ 315,063   | \$ —    |
| Cash collateral obligation for foreign exchange contracts | \$ 180,168   |         |              |         |

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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 in highly liquid investments, such as, overnight deposits, money markets, certificates of deposit and Treasury bills, with purchased maturities ranging from overnight to 90 days or less. The value of overnight deposits is determined based upon the quoted market prices for the treasury securities associated with the deposit. 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 and certain U.S. Treasury bills 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 liability in our Consolidated Balance Sheets at March 31, 2024 and December 31, 2023. Cash collateral deposited for foreign exchange derivatives is recorded within restricted cash in our Consolidated Balance Sheets at March 31, 2024 and December 31, 2023.

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 March 31, 2024 and December 31, 2023.

The Company's assets that are measured at fair value on a nonrecurring basis and 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's derivatives are over-the-counter instruments with liquid markets. The Company determines the fair values of its derivatives based on quoted market prices for similar assets or liabilities or pricing models using current market rates. Accordingly, these fair value measurements are in Level 2 of the fair value hierarchy. 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. See Note 13 for additional information on the fair value of the Company's derivatives.

The Company regularly evaluates the carrying value of its investments. The carrying amount of investments without readily determinable fair values was \$68.3 million and \$69.5 million at March 31, 2024 and December 31, 2023, respectively.

The fair value of the Company's cash, 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 monthly basis. These are each Level 2 fair value measurements, except for cash, which is a Level 1 fair value measurement.

## **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 4, 2025. On January 25, 2024, the Board authorized an increase to the aggregate size of the Program by \$1.0 billion to \$8.1 billion.

During the three months ended March 31, 2024, the Company repurchased 1,096,762 shares for an aggregate purchase price of \$321.3 million (including repurchases of \$32.6 million that have not yet settled in cash and are included in accrued expenses in the Consolidated Balance Sheet at March 31, 2024). Since the beginning of the Program through March 31, 2024, 29,975,624 shares have been repurchased for an aggregate purchase price of \$6.9 billion, leaving the Company up to \$ 1.2 billion of remaining authorization available under the Program for future repurchases in shares of its common stock. Subsequent to March 31, 2024 and through the date of this filing, the Company repurchased an additional 1.4 million shares for an aggregate purchase price of \$412.4 million.

## **5. Stock-Based Compensation**

The following table summarizes the expense recognized within general and administrative expenses in the Unaudited Consolidated Statements of Income related to stock-based compensation for the three months ended March 31, 2024 and 2023 (in thousands):



|                          | Three Months Ended March 31, |           |
|--------------------------|------------------------------|-----------|
|                          | 2024                         | 2023      |
| Stock options            | \$ 6,119                     | \$ 8,950  |
| Restricted stock         | 18,860                       | 17,146    |
| Stock-based compensation | \$ 24,979                    | \$ 26,096 |

The tax benefits recorded on stock-based compensation and upon the exercises of options were \$15.0 million and \$4.4 million for the three months ended March 31, 2024 and 2023, respectively.

The following table summarizes the Company's total unrecognized compensation cost related to outstanding stock awards as of March 31, 2024 (cost in thousands):

|                  | Unrecognized Compensation Cost | Weighted Average Period of Expense |
|------------------|--------------------------------|------------------------------------|
|                  |                                | Recognition Remaining (in Years)   |
| Stock options    | \$ 52,539                      | 2.35                               |
| Restricted stock | 76,494                         | 1.05                               |
| Total            | \$ 129,033                     |                                    |

#### Stock Options

The following summarizes the changes in the number of shares of stock options outstanding for the three months ended March 31, 2024 (shares 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 | Weighted Average Fair Value | Aggregate Intrinsic Value |
|---------------------------------------|--------|---------------------------------|--------------------------------------|--|--|-----------------------------|---------------------------|
| Outstanding at December 31, 2023      | 4,983  | \$ 192.18                       | 3,182                                | \$ 163.54  | \$ 95.87   | \$ 451,039                  |                           |
| Granted                               | 138    | 251.10                          |                                      |  |  |                             |                           |
| Exercised                             | (539)  | 167.72                          |                                      |  |  |                             | \$ 64,000                 |
| Forfeited                             | (14)   | 223.39                          |                                      |  |  |                             |                           |
| Outstanding at March 31, 2024         | 4,568  | \$ 197.22                       | 2,851                                | \$ 167.09  |  |                             | \$ 508,550                |
| Expected to vest as of March 31, 2024 | 866    | \$ 234.40                       |                                      |  |  |                             |                           |

The aggregate intrinsic value of stock options exercisable at March 31, 2024 was \$468.4 million. The weighted average remaining contractual term of options exercisable at March 31, 2024 was 2.3 years.

#### Restricted Stock

The following table summarizes the changes in the number of shares of restricted stock awards and restricted stock units outstanding for the three months ended March 31, 2024 (shares in thousands):

|                                  | Shares | Weighted Average Grant Date Fair Value |
|----------------------------------|--------|--|
| Outstanding at December 31, 2023 | 542    | \$ 219.63                              |
| Granted                          | 233    | 269.30                                 |
| Issued                           | (311)  | 219.07                                 |
| Cancelled                        | (36)   | 216.33                                 |
| Outstanding at March 31, 2024    | 428    | \$ 243.72                              |

## 6. Acquisitions

### 2024 Acquisitions

In March 2024, the Company acquired 70% of Zapay, a Brazil-based digital consumer mobility solution for paying vehicle-related taxes and compliance fees, for approximately \$56.3 million, net of cash. As part of the agreement, the Company has the right to acquire the remainder of Zapay in four years from the acquisition date. The majority investment in Zapay further scales the Company's Vehicle Payments business in Brazil. Results from the Zapay acquisition have been included in the Company's Vehicle Payments segment from the date of the acquisition.

Acquisition accounting is preliminary for the Zapay acquisition as the Company is still completing the valuation for intangible assets, income taxes, working capital, and contingencies. As the Zapay acquisition occurred near the end of the first quarter of 2024, the Company preliminarily allocated the excess of the purchase price of the acquisition over the estimated assets acquired and liabilities assumed to goodwill and intangibles on a provisional basis, based on historical valuation outcomes. Further, the provisional amounts assigned to such intangibles of \$18.6 million were preliminarily assigned to the customer relationship intangible asset. The provisional estimated fair value of the noncontrolling interest was based on the price the Company paid for its 70% controlling interest.

The following table summarizes the preliminary acquisition accounting for the Zapay acquisition noted above (in thousands):

|  |                  |
|--|------------------|
| Trade and other receivables                    | \$ 2,542         |
| Prepaid expenses and other current assets      | 112              |
| Other long term assets                         | 960              |
| Goodwill                                       | 77,846           |
| Intangibles                                    | 18,624           |
| Accounts payable                               | (1,486)          |
| Other current liabilities                      | (7,884)          |
| Other noncurrent liabilities                   | (6,332)          |
| <b>Total fair value of net assets acquired</b> | <b>\$ 84,382</b> |
| Less: Noncontrolling interest                  | (28,057)         |
| <b>Aggregate purchase price</b>                | <b>\$ 56,325</b> |

### 2023 Acquisitions

In January 2023, the Company acquired 100% of Global Reach, a U.K.-based cross-border payments provider, for approximately \$ 102.9 million, net of cash. In February 2023, the Company acquired the remainder of Mina Digital Limited ("Mina"), a cloud-based electric vehicle ("EV") charging software platform. In February 2023, the Company also acquired 100% of Business Gateway AG, a European-based service, maintenance and repair technology provider. In September 2023, the Company acquired 100% of PayByPhone Technologies, Inc., the world's second largest mobile parking operator, for approximately \$301.6 million, net of cash. Each of these 2023 acquisitions provide incremental geographic expansion of our products, with PayByPhone specifically intended to progress the Company's broader strategy to transform our vehicle payments business. Results from these acquisitions have been included in the Company's consolidated results from the respective date of each acquisition.

The aggregate purchase price of these acquisitions was approximately \$ 436.7 million (inclusive of the \$8.5 million previously-held equity method investment in Mina), net of cash of \$117 million. The Company financed the acquisitions using a combination of available cash and borrowings under its existing credit facility. Any noncompete agreements signed in conjunction with these acquisitions were accounted for separately from the business acquisition.

Acquisition accounting is preliminary for PayByPhone as the Company is still completing the valuation for intangible assets, income taxes, working capital, and contingencies. Acquisition accounting for the other 2023 acquisitions was finalized during the first quarter of 2024 as the measurement period closed. There were no material measurement period adjustments recorded during the three months ended March 31, 2024.

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The following table summarizes the acquisition accounting, in aggregate, for the business acquisitions noted above (in thousands):

|   |                   |
|---|-------------------|
| Trade and other receivables               | \$ 6,004          |
| Prepaid expenses and other current assets | 46,425            |
| Other long term assets                    | 13,302            |
| Goodwill                                  | 383,851           |
| Intangibles                               | 158,689           |
| Accounts payable                          | (24,842)          |
| Other current liabilities                 | (129,561)         |
| Other noncurrent liabilities              | (18,923)          |
| Aggregate purchase price                  | <u>\$ 434,945</u> |

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 names and trademarks | 2 to Indefinite         | \$ 12,459         |
| Proprietary technology     | 5 to 7                  | 11,885            |
| Customer relationships     | 6 to 20                 | 134,345           |
|                            |                         | <u>\$ 158,689</u> |

Results from the Global Reach Group are included in the Company's Corporate Payments segment and the results for Mina Digital Limited, Business Gateway AG and PayByPhone are included in the Company's Vehicle Payments segment.

## 7. Goodwill and Other Intangibles

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

|          | December 31, 2023 | Acquisitions <sup>1</sup> | Acquisition Accounting Adjustments | Foreign Currency | March 31, 2024 |
|----------|-------------------|---------------------------|------------------------------------|------------------|----------------|
| Goodwill | \$ 5,644,958      | \$ 77,846                 | \$ 1,058                           | \$ (50,130)      | \$ 5,673,732   |

<sup>1</sup> Reflects the recognition of goodwill assigned to the Vehicle Payments segment related to the Zapay acquisition completed by the Company during the three months ended March 31, 2024.

As of March 31, 2024 and December 31, 2023, other intangibles consisted of the following (in thousands):

|                                   | Weighted-Avg Useful Lives (Years) | March 31, 2024         |                          |                     | December 31, 2023      |                          |                     |
|-----------------------------------|-----------------------------------|------------------------|--------------------------|---------------------|------------------------|--------------------------|---------------------|
|                                   |                                   | Gross Carrying Amounts | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amounts | Accumulated Amortization | Net Carrying Amount |
|                                   |                                   |                        |                          |                     |                        |                          |                     |
| Customer and vendor relationships | 16.2                              | \$ 3,038,204           | \$ (1,542,504)           | \$ 1,495,700        | \$ 3,044,522           | \$ (1,511,173)           | \$ 1,533,349        |
| Trade names and trademarks        |                                   |                        |                          |                     |                        |                          |                     |
| —indefinite lived                 | N/A                               | 436,204                | —                        | 436,204             | 440,900                | —                        | 440,900             |
| Trade names and trademarks        |                                   |                        |                          |                     |                        |                          |                     |
| —other                            | 2.0                               | 50,684                 | (16,420)                 | 34,264              | 51,510                 | (15,334)                 | 36,176              |
| Software                          | 5.8                               | 297,498                | (242,477)                | 55,021              | 299,780                | (238,819)                | 60,961              |
| Non-compete agreements            | 4.2                               | 84,256                 | (72,339)                 | 11,917              | 85,111                 | (70,834)                 | 14,277              |
| Total other intangibles           |                                   | <u>\$ 3,906,846</u>    | <u>\$ (1,873,740)</u>    | <u>\$ 2,033,106</u> | <u>\$ 3,921,823</u>    | <u>\$ (1,836,160)</u>    | <u>\$ 2,085,663</u> |

N/A = Not Applicable

Changes in foreign exchange rates resulted in \$ 15.4 million decrease to the net carrying values of other intangibles in the three months ended March 31, 2024. Amortization expense related to intangible assets for the three months ended March 31, 2024 and 2023 was \$55.8 million and \$57.7 million, respectively.

## 8. Debt

The Company is party to a \$7.0 billion Credit Agreement (the "Credit Agreement"), with Bank of America, N.A., as administrative agent, swing line lender and letter of credit issuer, and a syndicate of financial institutions (the "Lenders"), which has been amended multiple times. The Credit Agreement includes a term loan A, a term loan B, and a revolving credit facility. As noted in footnote 2, the Company is also party to the Securitization Facility.

The balances of the Company's debt instruments under the Credit Agreement and the Securitization Facility are as follows (in thousands):

|   | March 31, 2024      | December 31, 2023   |
|---|---------------------|---------------------|
| Term Loan A note payable, net of discounts                    | \$ 3,185,375        | \$ 2,882,595        |
| Term Loan B note payable, net of discounts                    | 1,836,326           | 1,840,244           |
| Revolving line of credit facilities                           | 320,014             | 692,318             |
| Other obligations   | 1,339               | 748                 |
| Total notes payable, credit agreements, and other obligations | 5,343,054           | 5,415,905           |
| Securitization Facility                                       | 1,421,000           | 1,307,000           |
| <b>Total debt</b>   | <b>\$ 6,764,054</b> | <b>\$ 6,722,905</b> |
| Current portion   | \$ 1,901,433        | \$ 2,126,749        |
| Long-term portion   | 4,862,621           | 4,596,156           |
| <b>Total debt</b>   | <b>\$ 6,764,054</b> | <b>\$ 6,722,905</b> |

The Company was in compliance with all financial and non-financial covenants under the Credit Agreement and Securitization Facility at March 31, 2024.

The contractual maturities of the Company's total debt at March 31, 2024 were as follows (in thousands):

|  |                     |
|--|---------------------|
| Remaining 2024   | \$ 439,562          |
| 2025   | 185,250             |
| 2026   | 185,250             |
| 2027   | 2,774,312           |
| 2028   | 1,778,375           |
| Thereafter   | —                   |
| <b>Total principal payments</b>                          | <b>5,362,749</b>    |
| Less: debt discounts and issuance costs included in debt | (19,695)            |
| <b>Total debt</b>  | <b>\$ 5,343,054</b> |

## 9. Income Taxes

The Company's effective tax rate was 24.7% and 27.1% for the three months ended March 31, 2024 and 2023, respectively. Income tax expense is based on an estimated annual effective rate, which requires the Company to make its best estimate of annual pretax accounting income or loss before consideration of tax or benefit discretely recognized in the period in which such occur. Our effective income tax rate for the three months ended March 31, 2024 differs from the U.S. federal statutory rate due primarily to the unfavorable impact of state taxes net of federal benefits, additional taxes on undistributed foreign-sourced income, and foreign withholding taxes on interest income from intercompany notes. For the three months ended March 31, 2024, the effective tax rate decreased due to discrete items of \$ 8.5 million mainly attributable to tax benefits arising from stock option exercises and awards vesting.

## 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 attributable to Corpay for the three months ended March 31, 2024 and 2023 is as follows (in thousands, except per share data):

|   | Three Months Ended March 31, |            |
|---|------------------------------|------------|
|   | 2024                         | 2023       |
| Net income attributable to Corpay                 | \$ 229,769                   | \$ 214,835 |
| Denominator for basic earnings per share          | 71,769                       | 73,521     |
| Dilutive securities                               | 1,776                        | 962        |
| Denominator for diluted earnings per share        | 73,545                       | 74,483     |
| Basic earnings per share attributable to Corpay   | \$ 3.20                      | \$ 2.92    |
| Diluted earnings per share attributable to Corpay | \$ 3.12                      | \$ 2.88    |

Diluted earnings per share attributable to Corpay for the three months ended March 31, 2024 and 2023 excludes the effect of 0.3 million and 2.4 million shares, 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 attributable to Corpay also excludes the effect of an immaterial amount of performance-based restricted stock for which the performance criteria have not yet been achieved for the three month periods ended March 31, 2024 and 2023.

## 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 reportable segments: Vehicle Payments, Corporate Payments and Lodging Payments. Our Gift and Payroll Card operating segments included within Other. These segments align 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 month periods ended March 31, 2024 and 2023 (in thousands):

|                                       | Three Months Ended March 31, |                   |
|---------------------------------------|------------------------------|-------------------|
|                                       | 2024 <sup>1</sup>            | 2023 <sup>2</sup> |
| <b>Revenues, net:</b>                 |                              |                   |
| Vehicle Payments                      | \$ 494,061                   | \$ 495,490        |
| Corporate Payments                    | 265,396                      | 226,172           |
| Lodging Payments                      | 111,295                      | 122,334           |
| Other                                 | 64,499                       | 57,337            |
|                                       | <b>\$ 935,251</b>            | <b>\$ 901,333</b> |
| <b>Operating income:</b>              |                              |                   |
| Vehicle Payments                      | \$ 225,695                   | \$ 223,480        |
| Corporate Payments                    | 104,711                      | 80,382            |
| Lodging Payments                      | 47,276                       | 54,563            |
| Other                                 | 19,656                       | 16,770            |
|                                       | <b>\$ 397,338</b>            | <b>\$ 375,195</b> |
| <b>Depreciation and amortization:</b> |                              |                   |
| Vehicle Payments                      | \$ 50,321                    | \$ 50,350         |
| Corporate Payments                    | 20,803                       | 20,160            |
| Lodging Payments                      | 11,630                       | 11,398            |
| Other                                 | 2,006                        | 2,324             |
|                                       | <b>\$ 84,760</b>             | <b>\$ 84,232</b>  |

<sup>1</sup>Results from Zapay acquired in the first quarter of 2024 are reported in the Vehicle Payments segment from the date of acquisition.

<sup>2</sup> Results of the Company's Russian business disposed of in August 2023 are included in the Vehicle Payments segment for all periods prior to disposition.

## 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 from the Company. The District Court dismissed the Federal Derivative Action on October 21, 2020, and the United States Court of Appeals for the Eleventh Circuit affirmed the dismissal on July 27, 2022, ending the lawsuit. A similar derivative lawsuit that had been filed on January 9, 2019 in the Superior Court of Gwinnett County, Georgia ("State Derivative Action") was likewise dismissed on October 31, 2022.

On January 20, 2023, the previous State Derivative Action plaintiffs filed a new derivative lawsuit in the Superior Court of Gwinnett County, Georgia. The new lawsuit, *City of Aventura Police Officers' Retirement Fund, derivatively on behalf of FleetCor Technologies, Inc. v. Ronald F. Clarke and Eric R. Dey*, alleges that the defendants breached their fiduciary duties by causing or permitting the Company to engage in unfair or deceptive marketing and billing practices, making false and misleading public statements concerning the Company's fee charges and financial and business prospects, and making improper sales of stock. The complaint seeks approximately \$118 million in monetary damages on behalf of the Company, including contribution by defendants as joint tortfeasors with the Company in unfair and deceptive practices, and disgorgement of incentive pay and stock compensation. On January 24, 2023, the previous Federal Derivative Action plaintiffs filed a similar new derivative lawsuit, *Jerrell Whitten, derivatively on behalf of FleetCor Technologies, Inc. v. Ronald F. Clarke and Eric R. Dey, against Mr. Clarke and Mr. Dey* in Gwinnett County, Georgia. On May 1, 2024, both pending derivative cases were transferred to the Fulton County Metro Atlanta Business Case Division and consolidated as *In re Corpay, Inc. Shareholder*

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*Derivative Litigation*, CAFN 2023CV383303 (consolidated with CAFN 2023CV381421). The defendants dispute the allegations in the consolidated derivative action 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. On August 13, 2021, the FTC filed a motion to stay or to voluntarily dismiss without prejudice the case pending in the Northern District of Georgia in favor of a parallel administrative action under Section 5 of the FTC Act that it filed on August 11, 2021 in the FTC's administrative process. Apart from the jurisdiction and statutory change, the FTC's administrative complaint makes the same factual allegations as the FTC's original complaint filed in December 2019. The Company opposed the FTC's motion for a stay or to voluntarily dismiss, and the court denied the FTC's motion on February 7, 2022. In the meantime, the FTC's administrative action is stayed. On August 9, 2022, the District Court for the Northern District of Georgia granted the FTC's motion for summary judgment as to liability for the Company and Ron Clarke, but granted the Company's motion for summary judgment as to the FTC's claim for monetary relief as to both the Company and Ron Clarke. The Company intends to appeal this decision after final judgment is issued. On October 20-21, 2022, the court held a hearing on the scope of injunctive relief. At the conclusion of the hearing, the Court did not enter either the FTC's proposed order or the Company's proposed order, and instead suggested that the parties enter mediation. Following mediation, both parties filed proposed orders with the Court.

On June 8, 2023, the Court issued an Order for Permanent Injunction and Other Relief. The Company filed its notice of appeal to the United States Court of Appeals for the Eleventh Circuit on August 3, 2023. On August 17, 2023, the FTC Commission ordered that the stay of the parallel Section 5 administrative action will remain in place during the pendency of the Eleventh Circuit appeal. The Company has incurred and continues to incur legal and other fees related to this FTC 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.

Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult and requires an extensive degree of judgment, particularly where, as here, the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of, or reasonably estimate the possible losses or a range of possible losses resulting from, the matters described above.

## **13. Derivative Financial Instruments and Hedging Activities**

### *Foreign Currency Derivatives*

The Company uses derivatives to facilitate cross-currency corporate payments by writing derivatives to customers within its cross-border solution. The Company writes derivatives, primarily foreign currency forward contracts, option contracts, and swaps, 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 give 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 the Company is 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, "Derivatives and Hedging".

The aggregate equivalent U.S. dollar notional amount of foreign exchange derivative customer contracts held by the Company was \$ 63.1 billion and \$56.6 billion as of March 31, 2024 and December 31, 2023. 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 derivatives reported in the Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023 (in millions):

|  | March 31, 2024    |                        |                   |                        |
|--|-------------------|------------------------|-------------------|------------------------|
|  | Fair Value, Gross |                        | Fair Value, Net   |                        |
|  | Derivative Assets | Derivative Liabilities | Derivative Assets | Derivative Liabilities |
| <b>Derivatives - undesignated:</b>                 |                   |                        |                   |                        |
| Foreign exchange contracts                         | \$ 484.4          | \$ 410.4               | \$ 252.9          | \$ 178.9               |
| Less: Cash collateral                              | 36.9              | 155.8                  | 36.9              | 155.8                  |
| <b>Total net derivative assets and liabilities</b> | <b>\$ 447.5</b>   | <b>\$ 254.6</b>        | <b>\$ 216.0</b>   | <b>\$ 23.1</b>         |
| <br><b>December 31, 2023</b>                       |                   |                        |                   |                        |
|  | Fair Value, Gross |                        | Fair Value, Net   |                        |
|  | Derivative Assets | Derivative Liabilities | Derivative Assets | Derivative Liabilities |
|  |                   |                        |                   |                        |
| <b>Derivatives - undesignated:</b>                 |                   |                        |                   |                        |
| Foreign exchange contracts                         | \$ 594.9          | \$ 519.4               | \$ 320.2          | \$ 244.7               |
| Less: Cash collateral                              | 39.2              | 180.2                  | 39.2              | 180.2                  |
| <b>Total net derivative assets and liabilities</b> | <b>\$ 555.7</b>   | <b>\$ 339.2</b>        | <b>\$ 281.0</b>   | <b>\$ 64.5</b>         |

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 prepaid expenses and other current assets, other assets, other current liabilities and other noncurrent liabilities in the Consolidated Balance Sheets. The Company receives cash from customers as collateral for trade exposures, which is recorded within cash and cash equivalents, restricted cash and customer deposits liability 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 mark-to-market (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. Cash flows from the Company's foreign currency derivatives are classified as operating activities within the Unaudited Consolidated Statements of Cash Flows. The following table 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 March 31, 2024 and December 31, 2023 (in millions):

|                        | Balance Sheet Classification              | March 31, 2024 |          | December 31, 2023 |  |
|------------------------|---|----------------|----------|-------------------|--|
|                        |   | Fair Value     |          |                   |  |
| Derivative Assets      | Prepaid expenses and other current assets | \$ 193.4       | \$ 254.2 |                   |  |
| Derivative Assets      | Other assets                              | \$ 59.5        | \$ 66.0  |                   |  |
| Derivative Liabilities | Other current liabilities                 | \$ 131.4       | \$ 190.4 |                   |  |
| Derivative Liabilities | Other noncurrent liabilities              | \$ 47.5        | \$ 54.3  |                   |  |

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**Cash Flow Hedges**

On January 22, 2019, the Company entered into three interest rate swap cash flow contracts (the "swap contracts"). One contract (which matured in January 2022) had a notional value of \$1.0 billion, while the other two contracts (with maturity dates of January 2023 and December 2023) each had a notional value of \$500 million. The objective of these swap contracts was to reduce the variability of cash flows in the previously unhedged interest payments associated with \$2.0 billion of unspecified variable rate debt, the sole source of which is due to changes in the LIBOR benchmark interest rate. At inception, the Company designated these contracts as hedging instruments in accordance with ASC 815, "Derivatives and Hedging."

During January 2023, the Company entered into five receive-variable Secured Overnight Financing Rate ("SOFR"), pay-fixed interest rate swap derivative contracts with a cumulative notional U.S. dollar value of \$1.5 billion as shown disaggregated in the table below.

On May 4, 2023, the Company amended the remaining LIBOR-based interest rate swap with a notional amount of \$ 500 million from one-month term LIBOR of 2.55% to one-month term SOFR of 2.50%, without further changes to the terms of the swap. The Company applied certain expedites provided in ASU No. 2020-04, Reference Rate Reform (Topic 848), related to changes in critical terms of the hedging relationships due to reference rate reform, which allowed the change in critical terms without redesignation of the hedging relationship.

In August 2023, the Company entered into eight additional receive-variable SOFR, pay-fixed interest rate swap derivative contracts with a cumulative notional U.S. dollar value of \$2.0 billion as shown disaggregated in the table below. Further, in December 2023, the Company entered into five additional receive-variable SOFR, pay-fixed interest rate swap derivative contracts with a total notional U.S. dollar value of \$500 million as shown disaggregated in the table below.

As of March 31, 2024, the Company had the following outstanding interest rate swap derivatives that qualify as hedging instruments within designated cash flow hedges of variable interest rate risk (in millions):

| Notional Amount | Fixed Rates | Maturity Date |
|-----------------|-------------|---------------|
| \$250           | 4.01%       | 7/31/2025     |
| \$250           | 4.02%       | 7/31/2025     |
| \$500           | 3.80%       | 1/31/2026     |
| \$250           | 3.71%       | 7/31/2026     |
| \$250           | 3.72%       | 7/31/2026     |
| \$100           | 4.35%       | 7/31/2026     |
| \$250           | 4.40%       | 7/31/2026     |
| \$250           | 4.40%       | 7/31/2026     |
| \$400           | 4.33%       | 7/31/2026     |
| \$250           | 4.29%       | 1/31/2027     |
| \$250           | 4.29%       | 1/31/2027     |
| \$250           | 4.19%       | 7/31/2027     |
| \$250           | 4.19%       | 7/31/2027     |
| \$150           | 3.87%       | 1/31/2027     |
| \$50            | 3.83%       | 1/31/2027     |
| \$50            | 3.85%       | 1/31/2027     |
| \$125           | 4.00%       | 1/31/2028     |
| \$125           | 3.99%       | 1/31/2028     |

The purpose of these contracts is to reduce the variability of cash flows in interest payments associated with the Company's unspecified variable rate debt, the sole source of which is due to changes in the SOFR benchmark interest rate. The Company has designated these derivative instruments as cash flow hedging instruments, which are expected to be highly effective at offsetting changes in cash flows of the related underlying exposure. As a result, changes in fair value of the interest rate swaps are recorded in accumulated other comprehensive loss. For each of these swap contracts, the Company pays a fixed monthly rate and receives one month SOFR. The Company reclassified \$12.7 million and \$5.1 million from accumulated other comprehensive loss resulting in a benefit to interest expense, net for the three months ended March 31, 2024 and 2023, respectively, related to these interest rate swap contracts. Cash flows related to the Company's interest rate swap derivatives are classified as operating activities within the Unaudited Consolidated Statements of Cash Flows, as such cash flows relate to hedged interest payments recorded in operating activities.

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 highly effective at offsetting changes in cash flows of the related underlying exposures.

The following table 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 March 31, 2024 and December 31, 2023 (in millions). See Note 3 for additional information on the fair value of the Company's swap contracts.

|   | Balance Sheet Classification              | March 31, 2024 |         | December 31, 2023 |  |
|---|---|----------------|---------|-------------------|--|
|   |   | Fair Value     |         |                   |  |
| Derivatives designated as cash flow hedges: |   |                |         |                   |  |
| Swap contracts                              | Prepaid expenses and other current assets | \$ 34.3        | \$ 23.5 |                   |  |
| Swap contracts                              | Other assets                              | \$ 2.4         | \$ —    |                   |  |
| Swap contracts                              | Other current liabilities                 | \$ —           | \$ —    |                   |  |
| Swap contracts                              | Other noncurrent liabilities              | \$ 16.8        | \$ 55.8 |                   |  |

As of March 31, 2024, the estimated net amount of the existing gains expected to be reclassified into earnings within the next 12 months is approximately \$34.3 million.

#### *Net Investment Hedge*

In February 2023, the Company entered into a cross-currency interest rate swap that was designated as a net investment hedge of our investments in euro-denominated operations. This contract effectively converted \$500 million of U.S. dollar equivalent to an obligation denominated in euro, and partially offsets the impact of changes in currency rates on our euro-denominated net investments. This contract also created a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 1.96% interest rate savings on the USD notional. The Company terminated this net investment hedge on February 1, 2024, which resulted in net cash payments totaling \$3.9 million. The loss on the net investment hedge will remain in accumulated other comprehensive loss and will only be reclassified into earnings if and when the underlying euro-denominated net investment is sold or liquidated.

In February 2024, we entered into four new cross-currency interest rate swaps that are designated as net investment hedges of our investments in euro-denominated operations. These contracts effectively convert an aggregate \$500 million of U.S. dollar equivalent to an obligation denominated in euro, and partially offset the impact of changes in currency rates on our euro-denominated net investments. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 1.55% interest rate savings on the USD notional.

Hedge effectiveness is tested based on changes in the fair value of the cross-currency swap due to changes in the USD/euro spot rate. The Company anticipates perfect effectiveness of the designated hedging relationship and records changes in the fair value of the cross-currency interest rate swap associated with changes in the spot rate through accumulated other comprehensive loss. Excluded components associated with the forward differential are recognized directly in earnings as interest expense, net. The Company recognized a benefit of \$2.0 million and \$1.5 million in interest expense, net for the three months ended March 31, 2024 and 2023, respectively, related to these excluded components. Upon settlement, cash flows attributable to derivatives designated as net investment hedges will be classified as investing activities in the Unaudited Consolidated Statements of Cash Flows.

The following table presents the fair value of the Company's cross-currency interest rate swaps designated as a net investment hedge, as well as their classification on the accompanying Consolidated Balance Sheets, as of March 31, 2024 and December 31, 2023 (in millions).

|  | Balance Sheet Classification              | March 31, 2024 |         | December 31, 2023 |  |
|--|---|----------------|---------|-------------------|--|
|  |   | Fair Value     |         |                   |  |
| Cross-currency interest rate swaps designated as a net investment hedge: |   |                |         |                   |  |
| Net investment hedge   | Prepaid expenses and other current assets | \$ 7.9         | \$ —    |                   |  |
| Net investment hedge   | Other current liabilities                 | \$ —           | \$ 14.5 |                   |  |
| Net investment hedge   | Other noncurrent liabilities              | \$ 9.5         | \$ —    |                   |  |

#### 14. Accumulated Other Comprehensive Loss (AOCL)

The changes in the components of AOCL, net of tax and noncontrolling interest, for the three months ended March 31, 2024 and 2023 are as follows (in thousands):

|  | March 31, 2024                             |  |   |
|--|--|--|---|
|  | Cumulative Foreign<br>Currency Translation | Unrealized Gains<br>(Losses) on<br>Derivative<br>Instruments | Total Accumulated Other<br>Comprehensive Loss<br>Attributable to Corpay |
| Balance at December 31, 2023                               | \$ (1,258,282)                             | \$ (30,817)  | \$ (1,289,099)  |
| Other comprehensive (loss) income before reclassifications | (95,870)                                   | 72,951   | (22,919)  |
| Amounts reclassified from AOCL                             | —  | (12,688)   | (12,688)  |
| Tax effect   | —  | (16,141)   | (16,141)  |
| Other comprehensive (loss) income, net of tax              | (95,870)                                   | 44,122   | (51,748)  |
| Balance at March 31, 2024                                  | <u>\$ (1,354,152)</u>                      | <u>\$ 13,305</u>   | <u>\$ (1,340,847)</u>   |

Other comprehensive loss attributable to the Company's noncontrolling interest, which are not included in the table above, for the three months ended March 31, 2024 consisted of foreign currency translation losses of \$0.2 million.

|  | March 31, 2023                             |   |   |
|--|--|---|---|
|  | Cumulative Foreign<br>Currency Translation | Unrealized (Losses)<br>Gains on Derivative<br>Instruments | Total Accumulated Other<br>Comprehensive Loss<br>Attributable to Corpay |
| Balance at December 31, 2022                               | \$ (1,518,640)                             | \$ 8,990  | \$ (1,509,650)  |
| Other comprehensive income (loss) before reclassifications | 81,107                                     | (3,640)   | 77,467  |
| Amounts reclassified from AOCL                             | —  | (5,089)   | (5,089)   |
| Tax effect   | —  | 3,256   | 3,256   |
| Other comprehensive income (loss), net of tax              | 81,107                                     | (5,473)   | 75,634  |
| Balance at March 31, 2023                                  | <u>\$ (1,437,533)</u>                      | <u>\$ 3,517</u>   | <u>\$ (1,434,016)</u>   |

#### 15. Subsequent Events

##### Acquisition

In May 2024, the Company signed definitive agreements to acquire 100% of Paymerang, a U.S.-based leader in accounts payables automation solutions, for approximately \$475 million. The acquisition expands Corpay's presence in several vertical markets. The transaction is expected to close in the second quarter of 2024, subject to regulatory approval and customary closing conditions.

##### Net Investment Hedges

On April 15, 2024, the Company terminated its existing net investment hedge and simultaneously entered into four new cross-currency interest rate swaps designated as net investment hedges of our investments in euro-denominated operations. These contracts effectively convert an aggregate \$500 million of U.S. dollar equivalent to an obligation denominated in euro, and partially offset the impact of changes in currency rates on our euro-denominated net assets. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 1.85% interest rate savings on the USD notional.

On May 7, 2024, the Company entered into three new cross-currency interest rate swaps designated as net investment hedges of our investments in CAD-denominated operations. These contracts effectively convert an aggregate \$500 million of U.S. dollar equivalent to an obligation denominated in CAD, and partially offset the impact of changes in currency rates on our CAD-denominated net assets. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 0.602% interest rate savings on the USD notional.

Further, on May 8, 2024, the Company entered into four new cross-currency interest rate swaps designated as net investment hedges of our investments in GBP-denominated operations. These contracts effectively convert an aggregate \$750 million of U.S. dollar equivalent to an obligation denominated in GBP, and partially offset the impact of changes in currency rates on our GBP-denominated net assets. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 0.317% interest rate savings on the USD notional.

## **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, 2023 and in Part II, Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q. 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 three months ended March 31, 2024 and 2023, with period-over-period comparisons between these periods. A detailed discussion of 2023 items and period-over-period comparisons between the three months ended March 31, 2023 and 2022 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 March 31, 2023.

### **Executive Overview**

Effective March 25, 2024, FLEETCOR Technologies, Inc. changed its corporate name to Corpay, Inc. At that time, the Company ceased trading under the ticker symbol "FLT" and began trading under our new ticker symbol, "CPAY," on the New York Stock Exchange ("NYSE") effective March 25, 2024. Corpay is a global corporate payments company that helps businesses and consumers better manage and control their expenses. Corpay's suite of modern payment solutions help customers better manage vehicle-related expenses (e.g., fueling, tolls and parking), lodging expenses (e.g., hotel bookings) and corporate payments (e.g., domestic and international vendors). This results in our customers saving time and ultimately spending less. Since its incorporation in 2000, Corpay's payment and spend management solutions have been delivered in a variety of ways depending on the needs of the customer. From physical payment cards to software that includes customizable controls and robust payment capabilities, we provide businesses with a better way to pay.

Businesses spend an estimated \$135 trillion each year in transactions with other businesses. In many instances, businesses 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 business-to-business 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.

Corpay'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 that 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 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 use such as cash, paper checks, general purpose credit cards, as well as employee pay and reclaim processes.

### **Impact of Geo-Political Events on Our Business**

The current military conflicts between Russia and Ukraine, as well as within the Middle East continue to create substantial uncertainty about the global economy in the future. Although the length, impact and outcome of the ongoing military conflicts are highly unpredictable, these conflicts could lead to significant market and other disruptions. We have recently exited the Russia market via the disposition of our Russia business, which closed in the third quarter of 2023 (see "Russia Disposition" section below), and we do not have material operations in Israel or Gaza. We cannot predict how and the extent to which these conflicts will affect our customers, operations or business partners or the demand for our products and our global business.

We are actively monitoring the situations and assessing the impact on our business. The extent, severity, duration and outcome of the military conflicts, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any such disruptions may also magnify the impact of other risks described herein and in our Annual Report on Form 10-K.

## Russia Disposition

We completed the sale of our Russia business on August 15, 2023. The sale included the entirety of our operations in Russia and resulted in a complete exit from the Russia market. Our business in Russia accounted for approximately \$24.5 million of our consolidated income before income taxes for the three months ended March 31, 2023. The Russia business was historically reported within our Vehicle Payments segment.

## Results

**Revenues, net, Net Income Attributable to Corpay and Net Income Per Diluted Share Attributable to Corpay.** Set forth below are revenues, net, net income attributable to Corpay and net income per diluted share attributable to Corpay for the three months ended March 31, 2024 and 2023, (in millions, except per share amounts).

| (Unaudited)   | Three Months Ended March 31, |          |
|---|------------------------------|----------|
|   | 2024                         | 2023     |
| Revenues, net                                       | \$ 935.3                     | \$ 901.3 |
| Net income attributable to Corpay                   | \$ 229.8                     | \$ 214.8 |
| Net income per diluted share attributable to Corpay | \$ 3.12                      | \$ 2.88  |

**Adjusted Net Income Attributable to Corpay, Adjusted Net Income Per Diluted Share Attributable to Corpay, EBITDA and EBITDA margin.** Set forth below are adjusted net income, adjusted net income per diluted share, EBITDA and EBITDA margin for the three months ended March 31, 2024 and 2023 (in millions, except per share amounts).

| (Unaudited)  | Three Months Ended March 31, |          |
|--|------------------------------|----------|
|  | 2024                         | 2023     |
| Adjusted net income attributable to Corpay                   | \$ 301.3                     | \$ 283.1 |
| Adjusted net income per diluted share attributable to Corpay | \$ 4.10                      | \$ 3.80  |
| EBITDA   | \$ 482.4                     | \$ 460.1 |
| EBITDA margin  | 51.6 %                       | 51.0 %   |

Adjusted net income attributable to Corpay, adjusted net income per diluted share attributable to Corpay, EBITDA and EBITDA margin 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 U.S. generally accepted accounting principles, or GAAP. We use adjusted net income attributable to Corpay, adjusted net income per diluted share attributable to Corpay, EBITDA and EBITDA margin to eliminate the effect of items that we do not consider indicative of our core operating performance on a consistent basis. These non-GAAP measures are presented solely to permit investors to more fully understand how our management assesses underlying performance and are not, and should not be viewed as, a substitute for GAAP measures, and should be viewed in conjunction with our GAAP financial measures.

## Sources of Revenue

Corpay offers a variety of payment solutions that simplify, automate, secure, digitize and effectively control the way businesses and consumers manage and pay their expenses. We provide our payment solutions to our business, merchant, consumer and payment network customers in more than 150 countries around the world today, although we operate primarily in three geographies, with 83% of our revenues generated in the U.S., Brazil, and the U.K. Our customers may include commercial businesses (obtained through direct and indirect channels) and partners for whom we manage payment programs, as well as individual consumers.

We manage and report our operating results through three reportable segments: Vehicle Payments, Corporate Payments, and Lodging Payments. The remaining results are included within Other, which includes our Gift and Payroll Card businesses. These segments align with how the Chief Operating Decision Maker (CODM) allocates resources, assesses performance and reviews financial information.

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

**Revenues, net, by Segment.** For the three months ended March 31, 2024 and 2023, our segments generated the following revenue (in millions).



| (Unaudited)                | Three Months Ended March 31, |                             |                        |                             |
|----------------------------|------------------------------|-----------------------------|------------------------|-----------------------------|
|                            | 2024                         |                             | 2023                   |                             |
|                            | Revenues,<br>net             | % of Total<br>Revenues, net | Revenues,<br>net       | % of Total<br>Revenues, net |
| Revenues by Segment*       |                              |                             |                        |                             |
| Vehicle Payments           | \$ 494.1                     | 53 %                        | \$ 495.5               | 55 %                        |
| Corporate Payments         | 265.4                        | 28 %                        | 226.2                  | 25 %                        |
| Lodging Payments           | 111.3                        | 12 %                        | 122.3                  | 14 %                        |
| Other                      | 64.5                         | 7 %                         | 57.3                   | 6 %                         |
| Consolidated revenues, net | <u><u>\$ 935.3</u></u>       | <u><u>100 %</u></u>         | <u><u>\$ 901.3</u></u> | <u><u>100 %</u></u>         |

\*Columns may not calculate due to rounding. Other includes our Gift and Payroll Card businesses.

We generate revenue in our Vehicle Payments segment through a variety of program fees, including transaction fees, card fees, network fees and charges, as well as from interchange. These fees may be charged as fixed amounts, costs plus a mark-up, based on a percentage of the transaction purchase amounts, or a combination thereof. Our programs also include other fees and charges associated with late payments and based on customer credit risk.

In our Corporate Payments segment, our payables business primarily earns revenue from the difference between the amount charged to the customer and the amount paid to the third party for a given transaction, as interchange or spread revenue. Our programs may also charge fixed fees for access to the network and ancillary services provided. In our cross-border payments business, the majority of revenue is from exchanges of currency at spot rates, which enables customers to make cross-currency payments. Our cross-border payments business also derives revenue from our risk management business, which aggregates foreign currency exposures arising from customer contracts and economically hedges the resulting net currency risks by entering into offsetting contracts with established financial institution counterparties. Revenues from risk management products and foreign exchange payment services are primarily comprised of the difference between the exchange rate we set for the customer and the rate available in the wholesale foreign exchange market.

In our Lodging Payments segment, we primarily earn revenue from the difference between the amount charged to the customer and the amount paid to the hotel for a given transaction or based on commissions paid by hotels. We may also charge fees for access to the network and ancillary services provided.

The remaining revenues represent other solutions in our Gift and Payroll card businesses. In these businesses, we primarily earn revenue from the processing of transactions. We may also charge fees for ancillary services provided.

**Revenues, net, by Geography.** Revenues, net by geography for the three months ended March 31, 2024 and 2023, were as follows (in millions):

| (Unaudited)                | Three Months Ended March 31, |                             |                        |                             |
|----------------------------|------------------------------|-----------------------------|------------------------|-----------------------------|
|                            | 2024                         |                             | 2023                   |                             |
|                            | Revenues,<br>net             | % of Total<br>Revenues, net | Revenues,<br>net       | % of Total<br>Revenues, net |
| Revenues by Geography*     |                              |                             |                        |                             |
| United States              | \$ 504.6                     | 54 %                        | \$ 513.6               | 57 %                        |
| Brazil                     | 148.4                        | 16 %                        | 121.7                  | 14 %                        |
| United Kingdom             | 121.4                        | 13 %                        | 107.7                  | 12 %                        |
| Other                      | 160.8                        | 17 %                        | 158.2                  | 18 %                        |
| Consolidated revenues, net | <u><u>\$ 935.3</u></u>       | <u><u>100 %</u></u>         | <u><u>\$ 901.3</u></u> | <u><u>100 %</u></u>         |

\*Columns may not calculate due to rounding.

**Revenues, net by Key Performance Metric and Organic Growth.** Revenues, net by key performance metric and organic growth by segment for the three months ended March 31, 2024 and 2023, were as follows (in millions except revenues, net per key performance indicator)\*:

| (Unaudited)                     | As Reported                  |          |           |          | Pro Forma and Macro Adjusted <sup>2</sup> |          |           |          |
|---------------------------------|------------------------------|----------|-----------|----------|---|----------|-----------|----------|
|                                 | Three Months Ended March 31, |          |           |          | Three Months Ended March 31,              |          |           |          |
|                                 | 2024                         | 2023     | Change    | % Change | 2024                                      | 2023     | Change    | % Change |
| <b>VEHICLE PAYMENTS</b>         |                              |          |           |          |   |          |           |          |
| - Revenues, net                 | \$494.1                      | \$495.5  | \$(-1.4)  | —%       | \$492.1                                   | \$475.0  | \$17.2    | 4%       |
| - Transactions                  | 199.7                        | 148.1    | 51.6      | 35%      | 199.7                                     | 186.5    | 13.2      | 7%       |
| - Revenues, net per transaction | \$2.47                       | \$3.35   | \$(-0.88) | (26)%    | \$2.46                                    | \$2.55   | \$(-0.08) | (3)%     |
| - Tag transactions <sup>3</sup> | 21.3                         | 19.6     | 1.7       | 9%       | 21.3                                      | 19.6     | 1.7       | 9%       |
| - Parking transactions          | 60.9                         | —        | 60.9      | 100%     | 60.9                                      | 54.3     | 6.6       | 12%      |
| - Fleet transactions            | 107.9                        | 122.8    | (14.9)    | (12)%    | 107.9                                     | 106.9    | 1.0       | 1%       |
| - Other transactions            | 9.6                          | 5.7      | 3.9       | 68%      | 9.6                                       | 5.7      | 3.8       | 67%      |
| <b>CORPORATE PAYMENTS</b>       |                              |          |           |          |   |          |           |          |
| - Revenues, net                 | \$265.4                      | \$226.2  | \$39.2    | 17%      | \$264.3                                   | \$226.2  | \$38.1    | 17%      |
| - Spend volume                  | \$36,804                     | \$36,518 | \$286     | 1%       | \$36,804                                  | \$36,518 | \$286     | 1%       |
| - Revenue, net per spend \$     | 0.72%                        | 0.62%    | 0.10%     | 16%      | 0.72%                                     | 0.62%    | 0.10%     | 16%      |
| <b>LODGING PAYMENTS</b>         |                              |          |           |          |   |          |           |          |
| - Revenues, net                 | \$111.3                      | \$122.3  | \$(-11.0) | (9)%     | \$111.2                                   | \$122.3  | \$(-11.2) | (9)%     |
| - Room nights                   | 8.2                          | 9.4      | (1.1)     | (12)%    | 8.2                                       | 9.4      | (1.1)     | (12)%    |
| - Revenues, net per room night  | \$13.52                      | \$13.07  | \$0.45    | 3%       | \$13.51                                   | \$13.07  | \$0.44    | 3%       |
| <b>OTHER<sup>1</sup></b>        |                              |          |           |          |   |          |           |          |
| - Revenues, net                 | \$64.5                       | \$57.3   | \$7.2     | 12%      | \$64.3                                    | \$57.3   | \$6.9     | 12%      |
| - Transactions                  | 367.3                        | 325.7    | 41.6      | 13%      | 367.3                                     | 325.7    | 41.6      | 13%      |
| - Revenues, net per transaction | \$0.18                       | \$0.18   | \$—       | —%       | \$0.17                                    | \$0.18   | \$—       | (1)%     |
| <b>CORPAY CONSOLIDATED</b>      |                              |          |           |          |   |          |           |          |
| <b>REVENUES, NET</b>            |                              |          |           |          |   |          |           |          |
| - Revenues, net                 | \$935.3                      | \$901.3  | \$34.0    | 4%       | \$931.8                                   | \$880.8  | \$51.0    | 6%       |

<sup>1</sup> Other includes Gift and Payroll Card operating segments.

<sup>2</sup> See heading entitled "Managements' Use of Non-GAAP Financial Measures" for a reconciliation of pro forma and macro adjusted revenue by product and metric non-GAAP measures to the comparable financial measure calculated in accordance with GAAP. The calculated change represents organic growth rate.

<sup>3</sup> Represents total tag subscription transactions in the quarter. Average monthly tag subscriptions for 2024 is 7.1 million

\* Columns may not calculate due to rounding.

Revenue per relevant key performance indicator (KPI), which may include transactions, spend volume, 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 product 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. Relevant KPI is derived by broad product type and may differ from how we describe the business. 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.

Organic revenue growth is a supplemental non-GAAP financial measure of operating performance. 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. 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 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 Corpay.

## Sources of Expenses

We incur expenses in the following categories:

- *Processing*—Our processing expense consists of expenses related to processing transactions, servicing our customers and merchants, credit losses and cost of goods sold related to our hardware and card 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 and bonuses) for our employees, 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 and 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.
- *Other expense, net*—Our other expense, net includes gains or losses from the following: sales of assets or businesses, foreign currency transactions, extinguishment of debt, and investments. This category also includes other miscellaneous non-operating costs and revenue. Certain of these items may be presented separately on the Consolidated Statements of Income.
- *Interest expense, net*—Our interest expense, net includes interest expense on our outstanding debt, interest income on cash balances and interest on our interest rate and cross-currency swaps.
- *Provision for income taxes*—Our provision for income taxes consists of corporate income taxes related primarily to profits 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, the U.K., and in other locations internationally, including the current conflict between Russia and Ukraine and other geopolitical events in the Middle East, as discussed elsewhere in this Quarterly Report on Form 10-Q. 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 (for periods prior to the disposition of our Russian business), relative to the U.S. dollar. Approximately 54% and 57% of our revenue in the three months ended March 31, 2024 and 2023, 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 impact on our total revenue, net.

Our cross-border foreign risk management business aggregates foreign currency 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.

We further manage the impact of economic changes in the value of certain foreign-denominated net assets by utilizing cross currency interest rate swaps. See "Liquidity and capital resources" below for information regarding our cross currency interest rate swaps.

- *Fuel price volatility*—Our vehicle payments 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 estimate approximately 8% and 12% of revenues, net were directly impacted by changes in fuel price in the three months ended March 31, 2024 and

2023, respectively. See "Results of Operations" for information related to the fuel price impact on our total revenues, net.

- *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 estimate approximately 5% of revenues, net were directly impacted by fuel price spreads in the three months ended March 31, 2024 and 2023. See "Results of Operations" for information related to the fuel price spread impact on our total revenues, net.
- *Acquisitions*—Since 2002, we have completed over 95 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*—From January 1, 2022 to July 27, 2023, the U.S. Federal Open Market Committee increased the target federal funds rate eleven times for a total rate increase of 5.25%. Additional increases are possible in future periods. We are exposed to market risk changes in interest rates on our debt, particularly in rising interest rate environments, which is partially offset by incremental interest income earned on cash and restricted cash. As of March 31, 2024, we have a number of receive-variable SOFR, pay-fixed interest rate swap derivative contracts with a cumulative notional U.S. dollar value of \$4.0 billion. The objective of these contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with variable rate debt, the sole source of which is due to changes in SOFR benchmark interest rate.

See "Liquidity and capital resources" section below for additional information regarding our derivatives.

- *Expenses*—Over the long term, we expect that our expenses will decrease as a percentage of revenues as our revenues increase, except for expenses related to transaction volume processed. 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 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.

The Organization for Economic Co-operation and Development ("OECD"), continues to put forth various initiatives, including Pillar Two rules which include the introduction of a global minimum tax at a rate of 15%. European Union member states agreed to implement the OECD's Pillar Two rules with effective dates of January 1, 2024 and January 1, 2025, for different aspects of the directive and most have already enacted legislation. A number of other countries are also implementing similar legislation. As of March 31, 2024, based on the countries in which we do business that have enacted legislation effective January 1, 2024, the impact of these rules to our financial statements was not material. This may change as other countries enact similar legislation and further guidance is released. We continue to closely monitor regulatory developments to assess potential impacts.

#### **Acquisitions, Investments and Dispositions**

##### **2024**

- In March 2024, we acquired 70% of Zapay, a Brazil-based digital mobility solution for paying vehicle-related taxes and compliance fees, for approximately \$56.3 million, net of cash. As part of the agreement, we have the right to acquire the remainder of Zapay in four years. The majority investment in Zapay further scales our Vehicle Payments business in Brazil.
- In May 2024, we signed definitive agreements to acquire 100% of Paymerang, a U.S.-based leader in accounts payables automation solutions, for approximately \$475 million. The acquisition expands our presence in several vertical markets. The transaction is expected to close in the second quarter of 2024, subject to regulatory approval and standard closing conditions.

2023

- In January 2023, we acquired Global Reach, a U.K.-based cross-border payments provider, for approximately \$102.9 million, net of cash. Results from Global Reach Group are reported in our Corporate Payments segment.
- In February 2023, we acquired the remainder of Mina Digital Limited, a cloud-based electric vehicle ("EV") charging software platform, and we also acquired Business Gateway AG, a European-based vehicle maintenance provider, for a total of approximately \$23.8 million, net of cash. Results from Mina Digital Limited and Business Gateway AG are reported in our Vehicle Payments segment.
- In September 2023, we acquired PayByPhone Technologies, Inc., a global mobile parking payment application, for approximately \$301.6 million, net of cash. Results from PaybyPhone are reported in our Vehicle Payments segment.
- In the third quarter of 2023, we disposed of our Russian business for \$197.0 million, net of cash disposed and net of a \$5.6 million foreign exchange loss upon the conversion of the ruble-denominated proceeds to U.S. dollars. Results from our Russian business were previously included in our Vehicle Payments segment.

Each of the 2023 acquisitions provide incremental geographic expansion of our products, with PayByPhone specifically intended to progress our broader strategy to expand our vehicle payments business into the consumer market.

## Results of Operations

### Three months ended March 31, 2024 compared to the three months ended March 31, 2023

The following table sets forth selected unaudited consolidated statements of income for the three months ended March 31, 2024 and 2023 (in millions, except percentages)\*.

| (Unaudited)   | Three Months Ended March 31, 2024 |                          | Three Months Ended March 31, 2023 |                          | % of Total Revenues, net | Increase (decrease) | % Change |
|---|-----------------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|---------------------|----------|
|   | Revenues, net                     | % of Total Revenues, net | Revenues, net                     | % of Total Revenues, net |                          |                     |          |
| <b>Revenues, net:</b>   |                                   |                          |                                   |                          |                          |                     |          |
| Vehicle Payments  | \$ 494.1                          | 52.8 %                   | \$ 495.5                          | 55.0 %                   | \$ (1.4)                 | (0.3) %             |          |
| Corporate Payments  | 265.4                             | 28.4 %                   | 226.2                             | 25.1 %                   | 39.2                     | 17.3 %              |          |
| Lodging Payments  | 111.3                             | 11.9 %                   | 122.3                             | 13.6 %                   | (11.0)                   | (9.0) %             |          |
| Other   | 64.5                              | 6.9 %                    | 57.3                              | 6.4 %                    | 7.2                      | 12.5 %              |          |
| <b>Total revenues, net</b>                                      | <b>935.3</b>                      | <b>100.0 %</b>           | <b>901.3</b>                      | <b>100.0 %</b>           | <b>33.9</b>              | <b>3.8 %</b>        |          |
| <b>Consolidated operating expenses:</b>                         |                                   |                          |                                   |                          |                          |                     |          |
| Processing  | 207.4                             | 22.2 %                   | 205.0                             | 22.7 %                   | 2.4                      | 1.2 %               |          |
| Selling   | 94.2                              | 10.1 %                   | 81.6                              | 9.1 %                    | 12.6                     | 15.4 %              |          |
| General and administrative                                      | 151.3                             | 16.2 %                   | 154.7                             | 17.2 %                   | (3.4)                    | (2.2) %             |          |
| Depreciation and amortization                                   | 84.8                              | 9.1 %                    | 84.2                              | 9.3 %                    | 0.5                      | 0.6 %               |          |
| Other operating, net  | 0.3                               | — %                      | 0.7                               | 0.1 %                    | (0.4)                    | NM                  |          |
| <b>Operating income</b>   | <b>397.3</b>                      | <b>42.5 %</b>            | <b>375.2</b>                      | <b>41.6 %</b>            | <b>22.1</b>              | <b>5.9 %</b>        |          |
| Investment gain   | (0.2)                             | — %                      | (0.2)                             | — %                      | —                        | NM                  |          |
| Other expense, net  | 3.1                               | 0.3 %                    | 0.7                               | 0.1 %                    | 2.4                      | NM                  |          |
| Interest expense, net   | 89.1                              | 9.5 %                    | 79.8                              | 8.9 %                    | 9.3                      | 11.6 %              |          |
| Provision for income taxes                                      | 75.5                              | 8.1 %                    | 80.0                              | 8.9 %                    | (4.5)                    | (5.7) %             |          |
| <b>Net income</b>   | <b>229.8</b>                      | <b>24.6 %</b>            | <b>214.8</b>                      | <b>23.8 %</b>            | <b>15.0</b>              | <b>7.0 %</b>        |          |
| <b>Less: Net income attributable to noncontrolling interest</b> |                                   |                          |                                   |                          |                          |                     |          |
| <b>Net income attributable to Corpay</b>                        | <b>\$ 229.8</b>                   | <b>24.6 %</b>            | <b>\$ 214.8</b>                   | <b>23.8 %</b>            | <b>\$ 14.9</b>           | <b>7.0 %</b>        |          |
| <b>Operating income by segment:</b>                             |                                   |                          |                                   |                          |                          |                     |          |
| Vehicle Payments  | \$ 225.7                          |                          | \$ 223.5                          |                          | \$ 2.2                   | 1.0 %               |          |
| Corporate Payments  | 104.7                             |                          | 80.4                              |                          | 24.3                     | 30.2 %              |          |
| Lodging Payments  | 47.3                              |                          | 54.6                              |                          | (7.3)                    | (13.4) %            |          |
| Other   | 19.7                              |                          | 16.8                              |                          | 2.9                      | 17.3 %              |          |
| <b>Total operating income</b>                                   | <b>\$ 397.3</b>                   |                          | <b>\$ 375.2</b>                   |                          | <b>\$ 22.1</b>           | <b>5.9 %</b>        |          |

NM = Not Meaningful

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

## Consolidated Results

### Consolidated revenues, net

Consolidated revenues were \$935.3 million in the three months ended March 31, 2024, an increase of 3.8% compared to the prior period. The increase in consolidated revenues was due primarily to organic growth of 6%, driven by increases in spend and transaction volumes, implementation and ramping of new sales and business initiatives. Consolidated revenues also grew 1% from acquisitions completed in 2023 and 2024 and due to the slightly positive impact of the macroeconomic environment but were negatively impacted by approximately \$31 million, or 3%, from the disposition of our Russia business in August 2023.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a slightly positive impact on our consolidated revenues for the three months ended March 31, 2024 over the comparable period in 2023, driven primarily by favorable foreign exchange rates of approximately \$14 million mostly in our Brazil and U.K. businesses.

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These increases were partially offset by lower fuel price spreads and fuel prices of approximately \$6 million and \$4 million, respectively.

### **Consolidated operating expenses**

**Processing.** Processing expenses were \$207.4 million in the three months ended March 31, 2024, an increase of 1.2% compared to the prior period. Increases in processing expenses were primarily due to approximately \$5 million of expenses related to acquisitions completed in 2023 and 2024, higher variable expenses driven by increased transaction volumes, investments to drive future growth and the unfavorable impact of foreign exchange rates of approximately \$3 million. The increases were partially offset by lower bad debt of \$15 million due to our shift away from micro-SMB (small-medium business) clients in the U.S. and the impact of the disposition of our Russia business of approximately \$1 million.

**Selling.** Selling expenses were \$94.2 million in the three months ended March 31, 2024, an increase of 15.4% from the prior period. Increases in selling expenses were primarily due to increased commissions from higher sales volume, approximately \$2 million of expenses related to acquisitions completed in 2023 and 2024 and the slightly unfavorable impact of foreign exchange rates. These increases were offset by the impact of the disposition of our Russia business of approximately \$2 million.

**General and administrative.** General and administrative expenses were \$151.3 million in the three months ended March 31, 2024, a decrease of 2.2% from the prior period. The decrease in general and administrative expenses was primarily due to lower overhead expense due to disciplined expense management and the impact of the disposition of our Russia business of approximately \$3 million. These decreases were partially offset by the impact of acquisitions completed in 2023 and 2024 of approximately \$6 million and the slightly unfavorable impact of foreign exchange rates.

**Depreciation and amortization.** Depreciation and amortization expenses were \$84.8 million in the three months ended March 31, 2024, a slight increase of 0.6% from the prior period. Depreciation and amortization expenses increased due to incremental investments in capital expenditures, acquisitions completed in 2023 and 2024 and the slightly unfavorable impact of foreign exchange rates. These increases were offset by the impact of the disposition of our Russia business.

### **Consolidated operating income**

Consolidated operating income was \$397.3 million in the three months ended March 31, 2024, an increase of 5.9% compared to the prior period. The increase in operating income was primarily due to the reasons discussed above, resulting in EBITDA margin expansion of 53 basis points over the prior period.

**Other expense, net.** Other expense, net was \$3.1 million in the three months ended March 31, 2024, which primarily represents the impact of fluctuations in foreign exchange rates on non-functional currency balances.

**Interest expense, net.** Interest expense, net was \$89.1 million in the three months ended March 31, 2024, an increase of \$9.3 million from the prior period. The increase in net interest expense was primarily due to rising interest rates on our borrowings and lower interest income due to the sale of our Russia business, partially offset by lower debt balances and higher cash balances in certain foreign jurisdictions. The following table sets forth the average interest rates paid on borrowings under our Credit Facility, excluding the related unused facility fees and swaps.

| (Unaudited)                          | Three Months Ended March 31, |        |
|--------------------------------------|------------------------------|--------|
|                                      | 2024                         | 2023   |
| Term loan A                          | 6.81 %                       | 5.98 % |
| Term loan B                          | 7.19 %                       | 6.28 % |
| Revolving line of credit A & B (USD) | 6.76 %                       | 6.01 % |
| Revolving line of credit B (GBP)     | 6.60 %                       | 5.13 % |

We have a portfolio of interest rate swaps which are designated as cash flow hedges and four cross-currency interest rate swaps, which are designated as one net investment hedge. During the three months ended March 31, 2024, as a result of these swap contracts and net investment hedge, we recorded a benefit to interest expense of \$14.7 million.

**Provision for income taxes.** The provision for income taxes and effective tax rate were \$75.5 million and 24.7%, respectively, for the three months ended March 31, 2024, compared to \$80.0 million and 27.1%, respectively, for the prior period. Income tax expense is based on an estimated annual effective rate, which requires us to make our best estimate of annual pretax accounting income or loss before consideration of tax or benefit discretely recognized in the period in which such occur. Our effective income tax rate for the three months ended March 31, 2024 differs from the U.S. federal statutory rate due primarily to the unfavorable impact of state taxes net of federal benefits, additional taxes on undistributed foreign-sourced income, and foreign withholding taxes on interest income from intercompany notes. For the three months ended March 31, 2024, the effective tax rate decreased due to discrete items of \$8.5 million mainly attributable to tax benefits arising from stock option exercises and awards vesting.

**Net income attributable to Corpay.** For the reasons discussed above, our net income attributable to Corpay increased to \$229.8 million, or 7.0%, from the prior period, during the three months ended March 31, 2024.

## **Segment Results**

### **Vehicle Payments**

Vehicle Payments revenues were \$494.1 million in the three months ended March 31, 2024, a decrease of 0.3% from the prior period. The decrease in revenue was primarily driven by the disposition of our Russia business in August 2023, which lowered revenue by approximately \$31 million. Excluding the disposition, Vehicle Payments revenues increased primarily due to organic growth of 4% driven by new sales growth in our international markets, as well as the impact of acquisitions, which contributed approximately \$11 million in revenue. The macroeconomic environment had a slightly positive impact of approximately \$2 million, driven primarily by favorable changes in foreign exchange rates on revenue of \$12 million, partially offset by unfavorable fuel price spreads of \$6 million, and lower fuel prices of \$4 million.

Vehicle Payments operating income was \$225.7 million in the three months ended March 31, 2024, an increase of 1.0% compared to the prior period, despite the impact of the disposition of our Russia business, which resulted in lower operating income of approximately \$24 million. This negative impact was more than offset by organic growth described above as well as lower bad debt of approximately \$15 million, as we shifted away from micro-SMB clients and to higher credit quality customers in the U.S. in 2023.

### **Corporate Payments**

Corporate Payments revenues were \$265.4 million in the three months ended March 31, 2024, an increase of 17.3%, from the prior period. Corporate Payments revenues increased primarily due to organic revenue growth of 17%, driven by strong new sales in our AP and cross-border solutions and a slight increase in spend volume.

Corporate Payments operating income was \$104.7 million in the three months ended March 31, 2024, an increase of 30.2% from the prior period. Corporate Payments operating income and margin increased primarily due to revenue growth, operating leverage and integration synergies, as revenues grew faster than expenses, partially offset by higher selling expenses driven by growth of the business.

### **Lodging Payments**

Lodging Payments revenues were \$111.3 million in the three months ended March 31, 2024, a decrease of 9.0% from the prior period. In 2023, Lodging Payments benefited from high weather-driven distressed passenger volume and insurance claims. Lodging Payments also continued to see softness in the base particularly related to smaller, field services companies that are deploying fewer workers as a result of the uncertain macro environment, which provided a tough comparable.

Lodging Payments operating income was \$47.3 million in the three months ended March 31, 2024, a decrease of 13.4% from the prior period. Lodging Payments operating income and margin declined due to the reasons discussed above.

### **Other**

Other revenues were \$64.5 million in the three months ended March 31, 2024, an increase of 12.5% from the prior period, primarily due to organic revenue growth of 12%, driven by the timing of gift card sales and increased transaction volume over the prior period.

Other operating income was \$19.7 million in the three months ended March 31, 2024, an increase of 17% from the prior period, with the increase primarily due to revenue growth and our operating leverage, as revenues grew faster than expenses.

### **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 at least the next 12 months and into the foreseeable future, based on our current assumptions. At March 31, 2024, we had approximately \$2.8 billion in total liquidity, consisting of approximately \$1.5 billion available under our Credit Facility and unrestricted cash of \$1.3 billion, a portion of which is required for working capital purposes. Restricted cash primarily represents customer deposits repayable on demand held in certain geographies with legal restrictions, collateral received from customers for cross-currency transactions in our cross-border payments business, which is restricted from use other than to repay customer deposits and secure and settle cross-currency transactions, and collateral posted with banks for hedging positions in our cross-border payments business.

We also utilize the Securitization Facility to finance a portion of our domestic receivables, to lower our cost of borrowing and more efficiently use capital. Accounts receivable collateralized within our Securitization Facility relate to trade receivables resulting primarily from charge card activity in Vehicle Payments and receivables related to our Lodging Payments business in the U.S. We also consider the available and undrawn amounts under our Securitization Facility and Credit Facility as funds available for working capital purposes and acquisitions. At March 31, 2024, we had no additional liquidity under our Securitization Facility.

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

### **Cash flows**

The following table summarizes our cash flows for the three month periods ended March 31, 2024 and 2023 (in millions).

| (Unaudited)                               | Three Months Ended March 31, |            |
|---|------------------------------|------------|
|   | 2024                         | 2023       |
| Net cash provided by operating activities | \$ 350.2                     | \$ 877.7   |
| Net cash used in investing activities     | \$ (102.3)                   | \$ (159.0) |
| Net cash used in financing activities     | \$ (158.6)                   | \$ (217.7) |

**Operating activities.** Net cash provided by operating activities was \$350.2 million in the three months ended March 31, 2024, compared to \$877.7 million in the comparable prior period. The decrease in operating cash flows was primarily driven by an increase in restricted cash during 2023.

**Investing activities.** Net cash used in investing activities was \$102.3 million in the three months ended March 31, 2024 compared to \$159.0 million in the comparable prior period. The reduction in cash used for investing activities was primarily due to less spending on acquisitions completed in 2024 as compared to 2023. Our capital expenditures were \$41.2 million in the three months ended March 31, 2024, an increase of \$4.5 million, or 12%, from \$36.7 million in the comparable prior period due to the impact of acquisitions and continued investments in technology.

**Financing activities.** Net cash used in financing activities was \$158.6 million in the three months ended March 31, 2024, compared to \$217.7 million in the comparable prior period. The decrease in net cash used by financing activities was primarily due to i) net borrowings on our credit facility and securitization facility of \$42.0 million during the three months ended March 31, 2024 as compared to net repayments of \$241.8 million during the comparable period in 2023 and (ii) an increase in proceeds from the issuance of common stock of \$57.4 million, partially offset by an increase in repurchases of common stock of \$279.2 million in the three months ended March 31, 2024 over the comparable period in 2023.

### **Credit Facility**

Corpay Technologies Operating Company, LLC, and certain of our domestic and foreign owned subsidiaries, as designated co-borrowers (the "Borrowers"), are parties to a \$7.0 billion Credit Agreement (the "Credit Agreement"), with Bank of America, N.A., as administrative agent, swing line lender and letter of credit 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 \$1.775 billion, a term loan A facility in the amount of \$3.325 billion and a term loan B facility in the amount of \$1.9 billion. The revolving credit facility consists of (a) a revolving A credit facility in the amount of \$1.275 billion, with sublimits for letters of credit and swing line loans and (b) a revolving B facility in the amount of \$500 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. 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 3.75 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 credit facilities A and B is June 24, 2027. The term loan B has a maturity date of April 30, 2028.

At March 31, 2024, the interest rate on the term loan A was 6.80%, the interest rate on the term loan B was 7.18%, the interest rate on the revolving A and B facilities (USD borrowings) was 6.80%, and the interest rate on the revolving B facility (GBP borrowings) was 6.60%. The unused credit facility fee was 0.25% at March 31, 2024.

At March 31, 2024, we had \$3.2 billion in borrowings outstanding on the term loan A, net of discounts and debt issuance costs, and \$1.8 billion in borrowings outstanding on the term loan B, net of discounts and debt issuance costs. We have unamortized debt issuance costs of \$4.5 million related to the revolving facilities as of March 31, 2024 recorded within other assets in the Unaudited Consolidated Balance Sheets. We have unamortized debt discounts and debt issuance costs of \$19.7 million related to our term loans at March 31, 2024 recorded in notes payable and other obligations, net of current portion within the Unaudited Consolidated Balance Sheets.

During the three months ended March 31, 2024, we made principal payments of \$25.5 million on the term loans and net repayments of \$371.4 million on the revolving facilities.

As of March 31, 2024, we were in compliance with each of the covenants under the Credit Agreement.

### **Securitization Facility**

We are party to a \$1.7 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 (the "Securitization Facility"). The Securitization Facility matures on August 18, 2025. At March 31, 2024, the interest rate on the Securitization Facility was 6.36%.

The Securitization Facility provides for certain termination events, which includes nonpayment, upon the occurrence of which the administrator may declare the facility termination date to have occurred, may exercise certain enforcement rights with respect to the receivables, and may appoint a successor servicer, among other things.

We were in compliance with all financial and non-financial covenant requirements related to our Securitization Facility as of March 31, 2024.

### **Cross-Border Facilities**

We carefully monitor and manage initial and variation margin requirements for our cross-border solutions, which can result in transitory periods of elevated liquidity needs in cases where the currency market experiences disruption. In order to help mitigate that liquidity risk, we have recently entered into facilities intended to provide additional means to manage working capital needs for our cross-border solutions.

During 2023, we entered into two unsecured overdraft facilities with a combined capacity of \$105.0 million, which may be accessible via written request and corresponding authorization from the applicable lenders. There is no guarantee the uncommitted capacity will be available to us on a future date. Interest on drawn balances accrues under the agreements at either (a) at a fixed rate equal to the lender's reference rate or the Federal Funds Effective Rate (as defined in the respective agreements) plus 1% or (b) SOFR plus 1.25%. As of March 31, 2024, we had no borrowings outstanding under the uncommitted credit facilities.

During 2023, we also entered into a 364-day committed revolving credit facility with a total commitment of \$40.0 million. This committed facility matures on October 10, 2024. Borrowings under the new facility will bear interest at the borrower's option at a rate equal to (a) Term SOFR (as defined in the agreement) plus 1.25% or (b) the Base Rate (determined by reference to the greatest of (i) the Federal Funds Effective Rate, at that time, plus 0.50%, (ii) the Prime Rate, at that time, and (iii) Term SOFR (as defined in the agreement) at such time plus 1.00%). As of March 31, 2024, we had no borrowings outstanding under the committed credit facility.

### **Cash Flow Hedges**

On January 22, 2019, we entered into three LIBOR-based swap contracts. One contract (which matured in January 2022) had a notional value of \$1.0 billion, while the two remaining contracts (which matured in January and December 2023, respectively) each had a notional value of \$500 million. The objective of these swap contracts was 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. On May 4, 2023, we amended the remaining LIBOR-based swap. The amendment replaced LIBOR on the swap with one-month term SOFR resulting in a pay-fixed monthly rate of 2.50%, without further changes to the terms of the swap.

During January 2023, we entered into five receive-variable SOFR, pay-fixed interest rate swap derivative contracts with a cumulative notional U.S. dollar value of \$1.5 billion as shown disaggregated in the table below.

In August 2023, we entered into eight additional receive-variable SOFR, pay-fixed interest rate swap derivative contracts with a cumulative notional U.S. dollar value of \$2.0 billion, as shown disaggregated in the table below. Further, in December 2023, we entered into five additional receive-variable SOFR, pay-fixed interest rate swap derivative contracts with a cumulative notional U.S. dollar value of \$500 million as shown disaggregated in the table below.

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As of March 31, 2024, we had the following outstanding interest rate swap derivatives that qualify as hedging instruments within designated cash flow hedges of variable interest rate risk (in millions):

| Notional Amount | Fixed Rates | Maturity Date |
|-----------------|-------------|---------------|
| \$250           | 4.01%       | 7/31/2025     |
| \$250           | 4.02%       | 7/31/2025     |
| \$500           | 3.80%       | 1/31/2026     |
| \$250           | 3.71%       | 7/31/2026     |
| \$250           | 3.72%       | 7/31/2026     |
| \$100           | 4.35%       | 7/31/2026     |
| \$250           | 4.40%       | 7/31/2026     |
| \$250           | 4.40%       | 7/31/2026     |
| \$400           | 4.33%       | 7/31/2026     |
| \$250           | 4.29%       | 1/31/2027     |
| \$250           | 4.29%       | 1/31/2027     |
| \$250           | 4.19%       | 7/31/2027     |
| \$250           | 4.19%       | 7/31/2027     |
| \$150           | 3.87%       | 1/31/2027     |
| \$50            | 3.83%       | 1/31/2027     |
| \$50            | 3.85%       | 1/31/2027     |
| \$125           | 4.00%       | 1/31/2028     |
| \$125           | 3.99%       | 1/31/2028     |

The purpose of these contracts is to reduce the variability of cash flows in interest payments associated with \$4.0 billion of unspecified variable rate debt, the sole source of which is due to changes in the SOFR benchmark interest rate. For each of these swap contracts, we pay a fixed monthly rate and receive one month SOFR.

Our cash flow hedges resulted in a \$12.7 million reduction in interest expense, net during the three months ended March 31, 2024.

### ***Net Investment Hedge***

In February 2023, we entered into a cross-currency interest rate swap that we designated as a net investment hedge of our investments in euro-denominated operations. This contract effectively converts \$500 million of U.S. dollar equivalent to an obligation denominated in euro, and partially offsets the impact of changes in currency rates on our euro-denominated net investments. This contract also created a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 1.96% interest rate savings on the USD notional. We terminated this net investment hedge on February 1, 2024, which resulted in net cash payments totaling \$3.9 million. The loss on the net investment hedge will remain in accumulated other comprehensive loss and will only be reclassified into earnings if and when the underlying euro-denominated net investment is sold or liquidated.

On February 2, 2024, we entered into four new cross-currency interest rate swaps that are designated as net investment hedges of our investments in euro-denominated operations. These contracts effectively convert an aggregate \$500 million of U.S. dollar equivalent to an obligation denominated in euro, and partially offset the impact of changes in currency rates on our euro-denominated net investments. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 1.55% interest rate savings on the USD notional.

Hedge effectiveness is tested based on changes in the fair value of the cross-currency swap due to changes in the USD/euro spot rate. We anticipate perfect effectiveness of the designated hedging relationship and record changes in the fair value of the cross-currency interest rate swap associated with changes in the spot rate through accumulated other comprehensive loss. Excluded components associated with the forward differential are recognized directly in earnings as interest expense, net. We recognized a benefit of \$2.0 million in interest expense, net for the three months ended March 31, 2024 related to these excluded components.

On April 15, 2024, the Company terminated its existing net investment hedge and simultaneously entered into four new cross-currency interest rate swaps designated as net investment hedges of our investments in euro-denominated operations. These contracts effectively convert an aggregate \$500 million of U.S. dollar equivalent to an obligation denominated in euro, and partially offset the impact of changes in currency rates on our euro-denominated net assets. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 1.85% interest rate savings on the USD notional.

On May 7, 2024, the Company entered into three new cross-currency interest rate swaps designated as net investment hedges of our investments in CAD-denominated operations. These contracts effectively convert an aggregate \$500 million of U.S. dollar equivalent to an obligation denominated in CAD, and partially offset the impact of changes in currency rates on our CAD-denominated net assets. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 0.602% interest rate savings on the USD notional.

Further, on May 8, 2024, the Company entered into four new cross-currency interest rate swaps designated as net investment hedges of our investments in GBP-denominated operations. These contracts effectively convert an aggregate \$750 million of U.S. dollar equivalent to an obligation denominated in GBP, and partially offset the impact of changes in currency rates on our GBP-denominated net assets. These contracts also create a positive interest differential on the U.S. dollar-denominated portion of the swap, resulting in a 0.317% interest rate savings on the USD notional.

#### **Stock Repurchase Program**

On February 4, 2016, we announced that our Board approved a stock repurchase program (as updated from time to time, the "Program") authorizing us to repurchase our common stock from time to time until February 4, 2025. On January 25, 2024, the Board authorized an increase to the aggregate size of the Program by \$1.0 billion to \$8.1 billion. Since the beginning of the Program through March 31, 2024, 29,975,624 shares have been repurchased for an aggregate purchase price of \$6.9 billion, leaving us up to \$1.2 billion of remaining authorization available under the Program for future repurchases in shares of our common stock. Subsequent to March 31, 2024 and through the date of this filing, we repurchased an additional 1.4 million shares for an aggregate purchase price of \$412.4 million.

Under the Program, any stock repurchases may be made at times and in such amounts as deemed appropriate by management. 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 we 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.

#### **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 March 31, 2024, 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, 2023. 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, 2023 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. Because our non-GAAP financial measures are not standardized measures, they may not be directly comparable with the non-GAAP financial measures of other companies using the same or similar non-GAAP financial measures. Although management uses these non-GAAP measures to set goals and measure performance, they have no standardized meaning prescribed by GAAP. These non-GAAP measures are presented solely to permit investors to more fully understand how our management assesses underlying performance. These non-GAAP measures are not, and should not be viewed as, a substitute for GAAP measures, and should be viewed in conjunction with our GAAP financial statements and financial measures. As a result, such non-GAAP measures have limits in their usefulness to investors.

***Organic Revenues, net by KPI.*** Organic revenue growth is calculated as revenue 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 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 impact 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. We believe that organic revenue growth is useful to investors for understanding the performance of Corpay.

Set forth below is a reconciliation of pro forma and macro adjusted revenue and key performance metric by segment, used to calculate organic revenue growth, to the most directly comparable GAAP measure, revenue, net and key performance metric (in millions):\*

| (Unaudited)                                   | Revenues, net                |                 | Key Performance Metric       |                  |
|---|------------------------------|-----------------|------------------------------|------------------|
|   | Three Months Ended March 31, |                 | Three Months Ended March 31, |                  |
|   | 2024                         | 2023            | 2024                         | 2023             |
| <b>VEHICLE PAYMENTS - TRANSACTIONS</b>        |                              |                 |                              |                  |
| Pro forma and macro adjusted                  | \$ 492.1                     | \$ 475.0        | 199.7                        | 186.5            |
| Impact of acquisitions/dispositions           | —                            | 20.5            | —                            | (38.4)           |
| Impact of fuel prices/spread                  | (10.1)                       | —               | —                            | —                |
| Impact of foreign exchange rates              | 12.0                         | —               | —                            | —                |
| As reported                                   | <u>\$ 494.1</u>              | <u>\$ 495.5</u> | <u>199.7</u>                 | <u>148.1</u>     |
| <b>CORPORATE PAYMENTS - SPEND</b>             |                              |                 |                              |                  |
| Pro forma and macro adjusted                  | \$ 264.3                     | \$ 226.2        | \$ 36,804                    | \$ 36,518        |
| Impact of acquisitions/dispositions           | —                            | —               | —                            | —                |
| Impact of fuel prices/spread                  | —                            | —               | —                            | —                |
| Impact of foreign exchange rates              | 1.1                          | —               | —                            | —                |
| As reported                                   | <u>\$ 265.4</u>              | <u>\$ 226.2</u> | <u>\$ 36,804</u>             | <u>\$ 36,518</u> |
| <b>LODGING PAYMENTS - ROOM NIGHTS</b>         |                              |                 |                              |                  |
| Pro forma and macro adjusted                  | \$ 111.2                     | \$ 122.3        | 8.2                          | 9.4              |
| Impact of acquisitions/dispositions           | —                            | —               | —                            | —                |
| Impact of fuel prices/spread                  | —                            | —               | —                            | —                |
| Impact of foreign exchange rates              | 0.1                          | —               | —                            | —                |
| As reported                                   | <u>\$ 111.3</u>              | <u>\$ 122.3</u> | <u>8.2</u>                   | <u>9.4</u>       |
| <b>OTHER<sup>1</sup> TRANSACTIONS</b>         |                              |                 |                              |                  |
| Pro forma and macro adjusted                  | \$ 64.3                      | \$ 57.3         | 367.3                        | 325.7            |
| Impact of acquisitions/dispositions           | —                            | —               | —                            | —                |
| Impact of fuel prices/spread                  | —                            | —               | —                            | —                |
| Impact of foreign exchange rates              | 0.2                          | —               | —                            | —                |
| As reported                                   | <u>\$ 64.5</u>               | <u>\$ 57.3</u>  | <u>367.3</u>                 | <u>325.7</u>     |
| <b>CORPAY CONSOLIDATED REVENUES, NET</b>      |                              |                 |                              |                  |
| Pro forma and macro adjusted                  | \$ 931.8                     | \$ 880.8        | Intentionally Left Blank     |                  |
| Impact of acquisitions/dispositions           | —                            | 20.5            | Intentionally Left Blank     |                  |
| Impact of fuel prices/spread <sup>2</sup>     | (10.1)                       | —               | Intentionally Left Blank     |                  |
| Impact of foreign exchange rates <sup>2</sup> | 13.5                         | —               | Intentionally Left Blank     |                  |
| As reported                                   | <u>\$ 935.3</u>              | <u>\$ 901.3</u> | Intentionally Left Blank     |                  |

\* Columns may not calculate due to rounding.

<sup>1</sup>Other includes Gift and Payroll Card operating segments.

<sup>2</sup> Revenues reflect an estimated \$4 million and \$6 million negative impact from fuel prices and fuel price spreads, respectively, as well as the positive impact of movements in foreign exchange rates of approximately \$14 million.

**Adjusted net income attributable to Corpay and adjusted net income per diluted share attributable to Corpay.** We have defined the non-GAAP measure adjusted net income attributable to Corpay as net income attributable to Corpay 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 the impact of certain discrete tax items, the impact of business dispositions, impairment charges, asset write-offs, restructuring and related costs, loss on extinguishment of debt, and legal settlements and regulatory-related legal fees. We adjust net income for the tax effect of adjustments using our effective income tax rate, exclusive of certain discrete tax items. We calculate 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.

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

Adjusted net income attributable to Corpay and adjusted net income per diluted share attributable to Corpay 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 GAAP. We believe it is useful to exclude non-cash

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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, certain discrete tax items, gains on business disposition, impairment charges, asset write-offs, restructuring and related costs, losses on extinguishment of debt, and legal settlements and regulatory-related legal fees do not necessarily reflect how our business is performing. We adjust net income for the tax effect of each of these adjustments using our effective income tax rate during the period, exclusive of certain discrete tax items.

Management uses adjusted net income attributable to Corpay, adjusted net income per diluted share attributable to Corpay, organic revenue growth and EBITDA:

- 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 attributable to Corpay and adjusted net income per diluted share attributable to Corpay to the most directly comparable GAAP measure, net income attributable to Corpay and net income per diluted share attributable to Corpay (in thousands, except shares and per share amounts)\*:

| (Unaudited)  | Three Months Ended March 31, |            |
|--|------------------------------|------------|
|  | 2024                         | 2023       |
| Net income attributable to Corpay                            | \$ 229,769                   | \$ 214,835 |
| Net income per diluted share attributable to Corpay          | \$ 3.12                      | \$ 2.88    |
| Stock-based compensation                                     | 24,979                       | 26,096     |
| Amortization <sup>1</sup>                                    | 57,858                       | 60,039     |
| Integration and deal related costs                           | 4,235                        | 5,885      |
| Restructuring and related costs <sup>2</sup>                 | 4,382                        | 619        |
| Other <sup>2,3</sup>   | 3,612                        | 1,023      |
| Total pre-tax adjustments                                    | 95,066                       | 93,662     |
| Income taxes <sup>4</sup>                                    | (23,515)                     | (25,416)   |
| Adjusted net income attributable to Corpay                   | \$ 301,320                   | \$ 283,081 |
| Adjusted net income per diluted share attributable to Corpay | \$ 4.10                      | \$ 3.80    |
| Diluted shares   | 73,545                       | 74,483     |

<sup>1</sup> Includes amortization related to intangible assets, premium on receivables, deferred financing costs and debt discounts.

<sup>2</sup> Certain prior period amounts have been reclassified to conform with current period presentation.

<sup>3</sup> Includes losses and gains on foreign currency transactions, legal expenses, and removes the amortization attributable to the Company's noncontrolling interest.

<sup>4</sup> Represents provision for income taxes of pre-tax adjustments

\*Columns may not calculate due to rounding.

**EBITDA and EBITDA margin.** EBITDA is defined as earnings before interest, income taxes, interest expense, net, other expense, net, depreciation and amortization, investment gain and other operating, net.

The following table reconciles EBITDA and EBITDA margin to net income (in millions)\*:

| (Unaudited)                   | Three Months Ended March 31, |          |
|-------------------------------|------------------------------|----------|
|                               | 2024                         | 2023     |
| Net income from operations    | \$ 229.8                     | \$ 214.8 |
| Provision for income taxes    | 75.5                         | 80.0     |
| Interest expense, net         | 89.1                         | 79.8     |
| Other expense, net            | 3.1                          | 0.7      |
| Investment gain               | (0.2)                        | (0.2)    |
| Depreciation and amortization | 84.8                         | 84.2     |
| Other operating, net          | 0.3                          | 0.7      |
| EBITDA                        | \$ 482.4                     | \$ 460.1 |
| Revenues, net                 | \$ 935.3                     | \$ 901.3 |
| EBITDA margin                 | 51.6 %                       | 51.0 %   |

\* 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 Corpay'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, 2023 filed with the Securities and Exchange Commission on February 29, 2024, many of which are outside of our control, that could cause our actual results and experience to differ materially from any forward-looking statement.

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

- our ability to successfully execute our strategic plan and portfolio review, manage our growth and achieve our performance targets;
- regulatory measures, voluntary actions, or changes in consumer preferences, that impact our transaction volume;
- adverse changes in program fees or charges we may collect, whether through legal, regulatory or contractual changes;
- the impact of macroeconomic conditions and the current inflationary environment and whether expected trends, including retail fuel prices, fuel price spreads, fuel transaction patterns, electric vehicle, and retail lodging price trends develop as anticipated and we are able to develop successful strategies in light of these trends;
- the international operational and political risks and compliance and regulatory risks and costs associated with international operations, including the impact of the global military conflicts between Russia and Ukraine and in the Middle East, on our business and operations;
- our ability to attract new and retain existing partners, fuel merchants, and lodging providers, their promotion and support of our products, 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;
- 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 filed by the Federal Trade Commission (FTC);
- the impact of regulations and related requirements relating to privacy, information security and data protection; derivative contracts and hedging activities; 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;
- our ability to remediate material weaknesses and the ongoing effectiveness of internal control over financial reporting;

- our restatement of prior quarterly financial statements discussed in our Annual Report on Form 10-K for the year ended December 31, 2023 may affect investor confidence and raise reputational issues and may subject us to additional risks and uncertainties, including increased professional costs and the increased possibility of legal proceedings and regulatory inquiries; and
- the other factors and information in our Annual Report on Form 10-K and other filings that we make with the Securities and Exchange Commission (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, 2023 filed with the Securities and Exchange Commission on February 29, 2024.

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 Corpay's SEC filings for free by visiting the SEC web site at [www.sec.gov](http://www.sec.gov).

This report includes non-GAAP financial measures, which are used by Corpay 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 March 31, 2024, 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, 2023.

### **Item 4. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

As of March 31, 2024, 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, and as a result of the material weaknesses described below, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024, our disclosure controls and procedures were not 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 not 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.

As discussed in our Annual Report on Form 10-K for the year ended December 31, 2023, we identified the following material weaknesses in internal controls:

- (1) A material weakness in internal control related to ineffective information technology general controls (ITGCs) in the area of user access management over certain information technology systems used in the execution of controls that support the Company's financial reporting processes. Our business process application and manual controls that are dependent on the affected ITGCs were also deemed ineffective because they could have been adversely impacted.
- (2) A material weakness resulting from ineffective controls over the application of U.S. GAAP guidance related to the balance sheet recognition of customer funds held for the benefit of others, which resulted in the restatement of previously issued 2023 interim consolidated financial statements as further discussed within our Annual Report on Form 10-K.

As a result of the material weaknesses, identified, the Company has begun updating its internal control over financial reporting as discussed in its remediation plan updated below.

#### *Remediation Update*

- (1) Our management has been implementing and continues to implement measures designed to ensure that control deficiencies contributing to the ITGC material weakness are remediated, such that these controls are designed, implemented, and operating effectively. The remediation actions include: (i) enhancing the information technology compliance oversight function; (ii) developing a training program addressing ITGCs and policies, including educating

control owners concerning the principles and requirements of internal controls, with a focus on those related to user access over information technology systems impacting financial reporting; (iii) developing and maintaining documentation underlying ITGCs to enhance the information evidencing the performance of ITGCs; (iv) developing enhanced integration functionality and controls related to the ongoing implementation of user access information technology system; (v) enhancing the information technology management review and testing plan to monitor ITGCs with a specific focus on systems supporting our financial reporting processes; and (vi) enhancing quarterly reporting on the remediation measures to the Audit Committee of the Board.

We believe that these actions will remediate the material weakness. The material weakness will not be considered remediated, however, until the applicable controls operate for a sufficient period of time and our management has concluded, through testing, that these controls are operating effectively.

(2) Management has developed enhanced monitoring and oversight controls in the application of U.S. GAAP guidance pertaining to customer funds held for the benefit of others. We believe that these actions have remediated the material weakness, but the material weakness cannot be considered fully remediated until the improved controls have been in place and operate for a sufficient period of time to enable testing of the operating effectiveness of the controls. We expect that the remediation of this material weakness will be completed by the end of 2024.

*Changes in Internal Control over Financial Reporting*

Other than the changes to our internal control over financial reporting described above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during the quarter ended March 31, 2024, 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 from the Company. The District Court dismissed the Federal Derivative Action on October 21, 2020, and the United States Court of Appeals for the Eleventh Circuit affirmed the dismissal on July 27, 2022, ending the lawsuit. A similar derivative lawsuit that had been filed on January 9, 2019 in the Superior Court of Gwinnett County, Georgia ("State Derivative Action") was likewise dismissed on October 31, 2022.

On January 20, 2023, the previous State Derivative Action plaintiffs filed a new derivative lawsuit in the Superior Court of Gwinnett County, Georgia. The new lawsuit, *City of Aventura Police Officers' Retirement Fund, derivatively on behalf of FleetCor Technologies, Inc. v. Ronald F. Clarke and Eric R. Dey*, alleges that the defendants breached their fiduciary duties by causing or permitting the Company to engage in unfair or deceptive marketing and billing practices, making false and misleading public statements concerning the Company's fee charges and financial and business prospects, and making improper sales of stock. The complaint seeks approximately \$118 million in monetary damages on behalf of the Company, including contribution by defendants as joint tortfeasors with the Company in unfair and deceptive practices, and disgorgement of incentive pay and stock compensation. On January 24, 2023, the previous Federal Derivative Action plaintiffs filed a similar new derivative lawsuit, *Jerrell Whitten, derivatively on behalf of FleetCor Technologies, Inc. v. Ronald F. Clarke and Eric R. Dey*, against Mr. Clarke and Mr. Dey in Gwinnett County, Georgia. On May 1, 2024, both pending derivative cases were transferred to the Fulton County Metro Atlanta Business Case Division and consolidated as *In re Corpay, Inc. Shareholder Derivative Litigation*, CAFN 2023CV383303 (consolidated with CAFN 2023CV381421). The defendants dispute the allegations in the consolidated derivative action 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 Ron 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. On August 13, 2021, the FTC filed a motion to stay or to voluntarily dismiss without prejudice the case pending in the Northern District of Georgia in favor of a parallel administrative action under Section 5 of the FTC Act that it filed on August 11, 2021 in the FTC's administrative process. Apart from the jurisdiction and statutory change, the FTC's administrative complaint makes the same factual allegations as the FTC's original complaint filed in December 2019. The Company opposed the FTC's motion for a stay or to voluntarily dismiss, and the court denied the FTC's motion on February 7, 2022. In the meantime, the FTC's administrative action is stayed. On August 9, 2022, the District Court for the Northern District of Georgia granted the FTC's motion for summary judgment as to liability for the Company and Ron Clarke, but granted the Company's motion for summary judgment as to the FTC's claim for monetary relief as to both the Company and Ron Clarke. The Company intends to appeal this decision after final judgment is issued. On October 20-21, 2022, the court held a hearing on the scope of injunctive relief. At the conclusion of the hearing, the Court did not enter either the FTC's proposed order or the Company's proposed order, and instead suggested that the parties enter mediation. Following mediation, both parties filed proposed orders with the Court.

On June 8, 2023, the Court issued an Order for Permanent Injunction and Other Relief. The Company filed its notice of appeal to the United States Court of Appeals for the Eleventh Circuit on August 3, 2023. On August 17, 2023, the FTC Commission

ordered that the stay of the parallel Section 5 administration action will remain in place during the pendency of the Eleventh Circuit appeal. The Company has incurred and continues to incur legal and other fees related to this FTC 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.

Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult and requires an extensive degree of judgment, particularly where, as here, the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of, or reasonably estimate the possible losses or a range of possible losses resulting from, the matters described above.

**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, 2023 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. There have been no material changes in our risk factors from those disclosed under the caption "Item 1A. Risk factors" to our annual report on Form 10-K for the year ended December 31, 2023.

**Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Securities**

The Company announced on February 4, 2016 that its Board 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 4, 2025. On January 25, 2024, the Board authorized an increase to the aggregate size of the Program by \$1.0 billion to \$8.1 billion. Since the beginning of the Program through March 31, 2024, 29,975,624 shares have been repurchased for an aggregate purchase price of \$6.9 billion, leaving the Company up to \$1.2 billion of remaining authorization available under the Program for future repurchases in shares of its common stock.

The following table presents information as of March 31, 2024, with respect to purchases of common stock of the Company made during the three months ended March 31, 2024 by the Company as defined in Rule 10b-18(a)(3) under the Exchange Act.

| Period                                     | Total Number of Shares Purchased <sup>1</sup> | 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) |
|--|---|------------------------------|---|--|
| January 1, 2024 through January 31, 2024   | 17,054  | \$ 288.95                    | —   | —  |
| February 1, 2024 through February 29, 2024 | 18,803  | \$ 272.53                    | —   | —  |
| March 1, 2024 through March 31, 2024       | 1,060,905                                     | \$ 293.37                    | 948,985   | \$ 1,237,560   |

<sup>1</sup> During the quarter ended March 31, 2024, pursuant to our Stock Incentive Plan, we withheld 147,777 shares, at an average price per share of \$285.96, in order to satisfy employees' tax withholding obligations in connection with the vesting of awards of restricted stock.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

**Rule 10b5-1 Trading Plans**

During the period covered by this Quarterly Report on Form 10-Q, no director or executive officer of the Company adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

**Item 6. Exhibits**

| <b>Exhibit<br/>No.</b>       |  |
|------------------------------|--|
| <a href="#"><u>3.1</u></a>   | Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc., now known as Corpay, Inc., conformed to reflect amendments through June 9, 2022 (incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 10-K, File No. 001-35004, filed with the SEC on February 28, 2023)  |
| <a href="#"><u>3.2</u></a>   | Certificate of Ownership and Merger Merging CPAY Merger Sub, Inc. into FLEETCOR Technologies, Inc. effective on March 24, 2024 (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 March 7, 2024)  |
| <a href="#"><u>3.3</u></a>   | Corpay, Inc. Amended and Restated Bylaws, effective as of March 24, 2024 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, File No. 001-35004, filed with the SEC on March 7, 2024)  |
| <a href="#"><u>10.1</u></a>  | Fourteenth Amendment to the Credit Agreement, dated as of January 31, 2024 among FLEETCOR Technologies Operating Company, LLC, as the Company, Corpay, Inc, as the Parent, Cambridge Mercantile Corp. (USA) as the additional borrower, Bank of America, N.A., as administrative agent, a domestic swing line lender, the foreign swing line lender and the L/C issuer, and the other lenders party hereto (incorporated by reference to Exhibit 10.64 to the registrant's Form 10-K, File No. 001-35004, filed with the SEC on February 29, 2024) |
| <a href="#"><u>31.1*</u></a> | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and rule 15d-14(a) of the Securities Exchange Act, as amended  |
| <a href="#"><u>31.2*</u></a> | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and rule 15d-14(a) of the Securities Exchange Act, as amended  |
| <a href="#"><u>32.1*</u></a> | Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  |
| <a href="#"><u>32.2*</u></a> | Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  |
| <a href="#"><u>101*</u></a>  | 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   |
| <a href="#"><u>104*</u></a>  | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)   |

\*Filed Herein

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#### **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 May 9, 2024.

| <b>Signature</b>  | <b>Title</b>  |
|---|---|
| <hr/> <p>/s/ Ronald F. Clarke</p> <hr/> <p>Ronald F. Clarke</p> | <hr/> <p>Corpay, Inc.<br/>(Registrant)</p> <hr/> <p>President, Chief Executive Officer and Chairman of the Board of<br/>Directors (Duly Authorized Officer and Principal<br/>Executive Officer)</p> |
| <hr/> <p>/s/ Tom Panther</p> <hr/> <p>Tom Panther</p>           | <hr/> <p>Chief Financial Officer (Principal Financial Officer)</p>  |

## CERTIFICATIONS

I, Ronald F. Clarke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Corpay, 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

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Ronald F. Clarke

Chief Executive Officer

May 9, 2024

## CERTIFICATIONS

I, Tom Panther, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Corpay, 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/ Tom Panther

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Tom Panther

Chief Financial Officer

May 9, 2024

**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 Corpay, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the period ended March 31, 2024, 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

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Ronald F. Clarke

Chief Executive Officer

May 9, 2024

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

**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 Corpay, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), Tom Panther, 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/ Tom Panther

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Tom Panther

Chief Financial Officer

May 9, 2024

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