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 September 30, 2022

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

For the transition period from __________ to __________

Commission file number: 001-35004

FLEETCOR Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware			**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	FLT	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

Class	Outstanding at November 2, 2022
Common Stock, $0.001 par value	73,752,362

FLEETCOR TECHNOLOGIES, INC. AND SUBSIDIARIES

FORM 10-Q

For the Three and Nine Months Ended September 30, 2022

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

FLEETCOR Technologies, Inc. and Subsidiaries

Consolidated Balance Sheets

(In Thousands, Except Share and Par Value Amounts)

	September 30, 2022 (Unaudited)	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,317,544	$ 1,520,027
Restricted cash	983,336	730,668
Accounts and other receivables (less allowance for credit losses of $134,027 at September 30, 2022 and $98,719 at December 31, 2021)	2,184,629	1,793,274
Securitized accounts receivable—restricted for securitization investors	1,482,000	1,118,000
Prepaid expenses and other current assets	618,559	326,079
Total current assets	6,586,068	5,488,048
Property and equipment, net	272,589	236,294
Goodwill	5,068,954	5,078,978
Other intangibles, net	2,169,232	2,335,385
Investments	74,349	52,016
Other assets	314,832	213,932
Total assets	$ 14,486,024	$ 13,404,653
Liabilities and stockholders’ equity		
Current liabilities:		
Accounts payable	$ 1,693,988	$ 1,406,350
Accrued expenses	389,953	369,054
Customer deposits	1,599,853	1,788,705
Securitization facility	1,482,000	1,118,000
Current portion of notes payable and lines of credit	994,088	399,628
Other current liabilities	478,283	208,614
Total current liabilities	6,638,165	5,290,351
Notes payable and other obligations, less current portion	4,745,122	4,460,039
Deferred income taxes	571,448	566,291
Other noncurrent liabilities	304,237	221,392
Total noncurrent liabilities	5,620,807	5,247,722
Commitments and contingencies (Note 12)		
Stockholders’ equity:		
Common stock, $0.001 par value; 475,000,000 shares authorized; 127,591,768 shares issued and 73,727,244 shares outstanding at September 30, 2022; and 127,113,023 shares issued and 78,879,551 shares outstanding at December 31, 2021	128	127
Additional paid-in capital	3,001,687	2,878,751
Retained earnings	6,985,450	6,256,442
Accumulated other comprehensive loss	(1,660,445)	(1,464,616)
Less treasury stock, 53,864,524 shares at September 30, 2022 and 48,233,471 shares at December 31, 2021	(6,099,768)	(4,804,124)
Total stockholders’ equity	2,227,052	2,866,580
Total liabilities and stockholders’ equity	$ 14,486,024	$ 13,404,653

See accompanying notes to unaudited consolidated financial statements.

FLEETCOR Technologies, Inc. and Subsidiaries

Unaudited Consolidated Statements of Income

(In Thousands, Except Per Share Amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues, net	$ 893,000	$ 755,477	$ 2,543,519	$ 2,031,481
Expenses:				
Processing	203,315	149,564	563,097	388,286
Selling	74,005	71,204	230,218	186,511
General and administrative	149,294	121,785	440,262	345,155
Depreciation and amortization	77,213	74,237	232,489	209,184
Other operating, net	3	—	82	81
Operating income	389,170	338,687	1,077,371	902,264
Other expenses:				
Investment loss (gain)	174	—	519	(9)
Other expense (income), net	3,688	1,532	6,187	(2,547)
Interest expense, net	45,410	29,033	90,510	92,269
Loss on extinguishment of debt	—	—	1,934	6,230
Total other expense	49,272	30,565	99,150	95,943
Income before income taxes	339,898	308,122	978,221	806,321
Provision for income taxes	91,013	74,115	249,213	191,828
Net income	$ 248,885	$ 234,007	$ 729,008	$ 614,493
Basic earnings per share	$ 3.34	$ 2.86	$ 9.55	$ 7.42
Diluted earnings per share	$ 3.29	$ 2.80	$ 9.38	$ 7.24
Weighted average shares outstanding:				
Basic shares	74,461	81,836	76,311	82,811
Diluted shares	75,558	83,716	77,687	84,917

See accompanying notes to unaudited consolidated financial statements.

FLEETCOR Technologies, Inc. and Subsidiaries

Unaudited Consolidated Statements of Comprehensive Income

(In Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	$ 248,885	$ 234,007	$ 729,008	$ 614,493
Other comprehensive loss:				
Foreign currency translation losses, net of tax	(252,719)	(179,839)	(228,666)	(102,191)
Net change in derivative contracts, net of tax	6,107	8,972	32,837	29,305
Total other comprehensive loss	(246,612)	(170,867)	(195,829)	(72,886)
Total comprehensive income	$ 2,273	$ 63,140	$ 533,179	$ 541,607

See accompanying notes to unaudited consolidated financial statements.

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

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2021	$ 127	$ 2,878,751	$ 6,256,442	$ (1,464,616)	$ (4,804,124)	$ 2,866,580
Net income	—	—	217,952	—	—	217,952
Other comprehensive income, net of tax	—	—	—	201,179	—	201,179
Acquisition of common stock	—	—	—	—	(422,736)	(422,736)
Share-based compensation	—	32,631	—	—	—	32,631
Issuance of common stock	—	8,810	—	—	—	8,810
Balance at March 31, 2022	127	2,920,192	6,474,394	(1,263,437)	(5,226,860)	2,904,416
Net income	—	—	262,171	—	—	262,171
Other comprehensive loss, net of tax	—	—	—	(150,396)	—	(150,396)
Acquisition of common stock	—	—	—	—	(372,566)	(372,566)
Share-based compensation	—	34,017	—	—	—	34,017
Issuance of common stock	1	10,026	—	—	—	10,027
Balance at June 30, 2022	128	2,964,235	6,736,565	(1,413,833)	(5,599,426)	2,687,669
Net income	—	—	248,885	—	—	248,885
Other comprehensive loss, net of tax	—	—	—	(246,612)	—	(246,612)
Acquisition of common stock	—	—	—	—	(500,342)	(500,342)
Share-based compensation	—	34,180	—	—	—	34,180
Issuance of common stock	—	3,272	—	—	—	3,272
Balance at September 30, 2022	$ 128	$ 3,001,687	$ 6,985,450	$ (1,660,445)	$ (6,099,768)	$ 2,227,052

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2020	$ 126	$ 2,749,900	$ 5,416,945	$ (1,363,158)	$ (3,448,402)	$ 3,355,411
Net income	—	—	184,239	—	—	184,239
Other comprehensive loss, net of tax	—	—	—	(117,861)	—	(117,861)
Acquisition of common stock	—	—	—	—	(170,382)	(170,382)
Share-based compensation	—	17,747	—	—	—	17,747
Issuance of common stock	1	27,344	—	—	—	27,345
Balance at March 31, 2021	127	2,794,991	5,601,184	(1,481,019)	(3,618,784)	3,296,499
Net income	—	—	196,247	—	—	196,247
Other comprehensive income, net of tax	—	—	—	215,842	—	215,842
Acquisition of common stock	—	—	—	—	(246,203)	(246,203)
Share-based compensation	—	17,885	—	—	—	17,885
Issuance of common stock	—	8,577	—	—	—	8,577
Balance at June 30, 2021	127	2,821,453	5,797,431	(1,265,177)	(3,864,987)	3,488,847
Net income	—	—	234,007	—	—	234,007
Other comprehensive loss, net of tax	—	—	—	(170,867)	—	(170,867)
Acquisition of common stock	—	—	—	—	(405,692)	(405,692)
Share-based compensation	—	16,453	—	—	—	16,453
Issuance of common stock	—	12,237	—	—	—	12,237
Balance at September 30, 2021	$ 127	$ 2,850,143	$ 6,031,438	$ (1,436,044)	$ (4,270,679)	$ 3,174,985

See accompanying notes to unaudited consolidated financial statements.

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

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Operating activities		
Net income	$ 729,008	$ 614,493
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	67,066	55,605
Stock-based compensation	100,828	52,085
Provision for credit losses on accounts and other receivables	89,976	19,419
Amortization of deferred financing costs and discounts	5,949	4,903
Amortization of intangible assets and premium on receivables	165,423	153,579
Loss on extinguishment of debt	1,934	6,230
Deferred income taxes	(7,987)	10,051
Other non-cash operating loss	601	72
Changes in operating assets and liabilities (net of acquisitions/dispositions):		
Accounts and other receivables	(950,237)	(1,020,900)
Prepaid expenses and other current assets	(300,600)	190,543
Other assets	(105,013)	28,370
Accounts payable, accrued expenses and customer deposits	641,659	485,091
Net cash provided by operating activities	438,607	599,541
Investing activities		
Acquisitions, net of cash acquired	(160,117)	(545,052)
Purchases of property and equipment	(107,631)	(74,455)
Other	—	(2,281)
Net cash used in investing activities	(267,748)	(621,788)
Financing activities		
Proceeds from issuance of common stock	22,109	48,159
Repurchase of common stock	(1,295,644)	(822,277)
Borrowings on securitization facility, net	364,000	398,000
Deferred financing costs	(10,282)	(21,508)
Proceeds from notes payable	3,000,000	1,150,000
Principal payments on notes payable	(2,800,500)	(462,438)
Borrowings from revolver	4,338,000	1,140,000
Payments on revolver	(3,658,000)	(798,851)
Borrowings (payments) on swing line of credit, net	194	(51,049)
Other	—	(811)
Net cash (used in) provided by financing activities	(40,123)	579,225
Effect of foreign currency exchange rates on cash	(80,551)	(24,660)
Net increase in cash and cash equivalents and restricted cash	50,185	532,318
Cash and cash equivalents and restricted cash, beginning of period	2,250,695	1,476,619
Cash and cash equivalents and restricted cash, end of period	$ 2,300,880	$ 2,008,937
Supplemental cash flow information		
Cash paid for interest	$ 138,310	$ 96,146
Cash paid for income taxes	$ 309,567	$ 147,028

See accompanying notes to unaudited consolidated financial statements.

FLEETCOR Technologies, Inc. and Subsidiaries
Notes to Unaudited Consolidated Financial Statements
September 30, 2022

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

The unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

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 September 30, 2022 and through the date of this Report. The accounting estimates used in the preparation of the Company's consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes. Actual results may differ from these estimates due to the uncertainty around the ongoing conflict between Russia and Ukraine, the impact of changes to monetary policy, as well as other factors.

Foreign Currency Translation

Assets and liabilities of foreign subsidiaries are translated into U.S. dollars at the rates of exchange in effect at period-end. The related translation adjustments are recorded to accumulated other comprehensive income (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 and nine months ended September 30, 2022 and 2021 as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Foreign exchange (losses)	$ (1.9)	$ (1.2)	$ (4.1)	$ (2.9)

The Company recorded foreign currency gains (losses) on long-term intra-entity transactions included as a component of foreign currency translation gains (losses), net of tax, in the Unaudited Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2022 and 2021 as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Foreign currency gains (losses) on long-term intra-entity transactions	$ 27.8	$ (46.0)	$ 184.1	$ (20.2)

Cash, Cash Equivalents, and Restricted Cash

Cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less. Restricted cash represents customer deposits repayable on demand, as well as collateral received from customers for cross-currency transactions in our cross-border payments business, which are restricted from use other than to repay customer deposits, as well as secure and settle cross-currency transactions. Based on our assessment of the current capital market conditions and related impact on our access to cash, we have reclassified all cash held at our Russian businesses of $246.6 million to restricted cash as of September 30, 2022.

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.

Revenue

The Company provides payment solutions to our business, merchant, consumer and payment network customers. Our payment solutions are primarily focused on specific commercial spend categories, including Fuel, Corporate Payments, Tolls, Lodging, as well as Gift solutions (stored value cards and e-cards). The Company provides solutions that help businesses of all sizes control, simplify and secure payment of various domestic and cross-border payables using specialized payment products. The Company also provides other payment solutions for fleet maintenance, employee benefits and long haul transportation-related services. Revenues from contracts with customers, within the scope of ASC 606, "Revenue Recognition", represent approximately 75% of total consolidated revenues, net, for the three and nine months ended September 30, 2022. The Company accounts for revenue from late fees and finance charges, in jurisdictions where permitted under local regulations, primarily in the U.S. and Canada in accordance with ASC 310, "Receivables". Such fees are recognized net of a provision for estimated uncollectible amounts, at the time the fees and finance charges are assessed and services are provided. In addition, in its cross-border payments business, the Company writes foreign currency forward and option contracts for its customers to facilitate future payments in foreign currencies. 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".

Disaggregation of Revenues

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

Revenues, net by Solution*	**Three Months Ended September 30,**				**Nine Months Ended September 30,**			
	2022	**%**	**2021**	**%**	**2022**	**%**	**2021**	**%**
Fuel	$ 361.8	41 %	$ 306.8	41 %	$ 1,027.2	40 %	$ 863.8	43 %
Corporate Payments	196.9	22 %	168.7	22 %	570.4	22 %	425.5	21 %
Tolls	88.6	10 %	79.0	10 %	264.7	10 %	219.4	11 %
Lodging	126.0	14 %	85.2	11 %	337.4	13 %	206.5	10 %
Gift	52.0	6 %	48.6	6 %	147.2	6 %	124.3	6 %
Other	67.7	8 %	67.2	9 %	196.6	8 %	192.1	9 %
Consolidated revenues, net	$ 893.0	100 %	$ 755.5	100 %	$ 2,543.5	100 %	$ 2,031.5	100 %

*Columns may not calculate due to rounding.

Revenue by geography (in millions) for the three and nine months ended September 30, was as follows:

Revenues, net by Geography*	**Three Months Ended September 30,**				**Nine Months Ended September 30,**			
	2022	**%**	**2021**	**%**	**2022**	**%**	**2021**	**%**
United States	$ 558.3	63 %	$ 488.2	65 %	$ 1,557.7	61 %	$ 1,271.5	63 %
Brazil	108.6	12 %	94.9	13 %	322.9	13 %	262.5	13 %
United Kingdom	90.4	10 %	81.9	11 %	278.4	11 %	241.0	12 %
Other	135.8	15 %	90.5	12 %	384.5	15 %	256.5	13 %
Consolidated revenues, net	$ 893.0	100 %	$ 755.5	100 %	$ 2,543.5	100 %	$ 2,031.5	100 %

*Columns may not calculate due to rounding.

Contract Liabilities

Deferred revenue contract liabilities for customers subject to ASC 606 were $56.1 million and $73.7 million as of September 30, 2022 and December 31, 2021, respectively. We expect to recognize approximately $34.2 million of these amounts in revenues within 12 months and the remaining $21.9 million over the next five years as of September 30, 2022. Revenue recognized in the nine months ended September 30, 2022 that was included in the deferred revenue contract liability as of December 31, 2021 was approximately $38.0 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, 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 September 30, 2022 and December 31, 2021 (in millions):

	September 30, 2022			December 31, 2021		
	Gross	Offset on the Balance Sheet	Net	Gross	Offset on the Balance Sheet	Net
Assets						
Accounts Receivable	$ 3,789.6	$ (3,615.6)	$ 174.0	$ 1,185.9	$ (1,057.7)	$ 128.2
Liabilities						
Accounts Payable	$ 3,697.1	$ (3,615.6)	$ 81.5	$ 1,199.5	$ (1,057.7)	$ 141.8

Reclassifications and Adjustments

During 2021, the Company identified and corrected an immaterial error in the presentation of deferred income taxes and changes in accounts payable, accrued expenses and customer deposits, both presented within net cash provided by operating activities, in our prior year Consolidated Statement of Cash Flows. The impact of this correction for the nine months ended September 30, 2021 was a decrease to the adjustment to reconcile net income to net cash provided by operating activities related to deferred income taxes of $6.2 million, with a corresponding increase to changes in accounts payable, accrued expenses and customer deposits in operating activities of $6.2 million. There was no impact to net cash provided by operating activities in the Unaudited Consolidated Statement of Cash Flows.

Additionally, certain disclosures for prior periods have been reclassified to conform with current year presentation.

Adoption of New Accounting Standards

Reference Rate Reform

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" (ASU 2020-04). The pronouncement provides temporary optional expedients and exceptions to the current guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The guidance was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company's adoption of this ASU 2020-04 on January 1, 2022 did not have a material impact on the Company's consolidated financial statements. The Company transitioned from LIBOR to the Sterling Overnight Index Average Reference Rate ("SONIA") plus a SONIA adjustment of 0.0326% for sterling borrowings, the Euro Interbank Offered Rate ("EURIBOR") for term euro borrowings, the Euro Short Term Rate ("ESTR") plus an ESTR adjustment of 0.085% for swingline euro borrowings, and the Tokyo Interbank Offered Rate ("TIBOR") for yen borrowings. In addition, the Company transitioned from LIBOR to the Secured Overnight Financing Rate ("SOFR") plus a SOFR adjustment of 0.10% for USD borrowings under the Securitization Facility (as defined below), revolving credit facility and the term loan A. The Company has availed itself of available benefits arising from changes in the reference rate related to our debt and interest rate swaps. Cross currency derivatives are not impacted by this ASU.

Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the FASB issued ASU 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805)" (ASU 2021-08), which requires an acquirer to account for revenue contracts acquired in a business combination in accordance with ASC 606 as if it had originated the contracts. The acquirer may assess how the acquiree applied ASC 606 to determine what to record for the acquired contracts. This update also provides certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination. The amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, and should be applied prospectively to business combinations occurring on or after the effective date of the amendments. Early adoption is permitted, including adoption in an interim period. Adoption during an interim period requires retrospective application to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application. The Company's adoption of this ASU on January 1, 2022 did not have a material impact on the Company's consolidated financial statements.

2. Accounts and Other Receivables

The Company's accounts and securitized accounts receivable include the following at September 30, 2022 and December 31, 2021 (in thousands):

	September 30, 2022	December 31, 2021
Gross domestic accounts receivable	$ 1,004,713	$ 994,063
Gross domestic securitized accounts receivable	1,482,000	1,118,000
Gross foreign receivables	1,313,943	897,930
Total gross receivables	3,800,656	3,009,993
Less allowance for credit losses	(134,027)	(98,719)
Net accounts and securitized accounts receivable	$ 3,666,629	$ 2,911,274

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

The Company utilizes proceeds from the 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. The Company retains a residual interest in the transferred asset as a form of credit enhancement. The residual interest’s fair value approximates carrying value due to its short-term nature. Funding determines the level of funding achieved by the sale of trade accounts receivable, subject to a maximum amount.

The Company’s Consolidated Balance Sheets and Statements of Income reflect the activity related to securitized accounts receivable and the corresponding securitized debt, including interest income, fees generated from late payments, provision for losses on accounts receivable and interest expense. The cash flows from borrowings and repayments associated with the securitized debt are presented as cash flows from financing activities. On August 18, 2022, the Company entered into the eleventh amendment to the Securitization Facility. The amendment increased the Securitization Facility commitment from $1.6 billion to $1.7 billion, reduced the program fee margin and extended the maturity of the Securitization Facility to August 18, 2025.

A rollforward of the Company’s allowance for credit losses related to accounts receivable for the nine months ended September 30, 2022 and 2021 is as follows (in thousands):

	2022	2021
Allowance for credit losses beginning of period	$ 98,719	$ 86,886
Provision for credit losses	89,976	19,419
Write-offs	(58,284)	(24,563)
Recoveries	5,329	11,519
Impact of foreign currency	(1,713)	(2,537)
Allowance for credit losses end of period	$ 134,027	$ 90,724

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 September 30, 2022 and December 31, 2021 (in thousands):

	Fair Value	Level 1	Level 2	Level 3
September 30, 2022				
Assets:				
Repurchase agreements	$ 93,152	$ —	$ 93,152	$ —
Money market	242,717	—	242,717	—
Certificates of deposit	30,468	—	30,468	—
Interest Rate Swaps	12,932	—	12,932	—
Foreign exchange contracts	484,748	—	484,748	—
Total assets	$ 864,017	$ —	$ 864,017	$ —
Cash collateral for foreign exchange contracts	$ 112,529	$ —	$ —	$ —
Liabilities:				
Foreign exchange contracts	464,576	—	464,576	—
Total liabilities	$ 464,576	$ —	$ 464,576	$ —
Cash collateral obligation for foreign exchange contracts	$ 142,263	$ —	$ —	$ —
December 31, 2021				
Assets:				
Repurchase agreements	$ 477,069	$ —	$ 477,069	$ —
Money market	43,023	—	43,023	—
Certificates of deposit	958	—	958	—
Foreign exchange contracts	120,859	—	120,859	—
Total assets	$ 641,909	$ —	$ 641,908	$ —
Cash collateral for foreign exchange contracts	$ 25,881	$ —	$ —	$ —
Liabilities:				
Interest rate swaps[1]	$ 30,733	$ —	$ 30,733	$ —
Foreign exchange contracts	89,925	—	89,925	—
Total liabilities	$ 120,658	$ —	$ 120,658	$ —
Cash collateral obligation for foreign exchange contracts	$ 24,803	$ —	$ —	$ —

[1]During 2022, the Company identified and corrected an immaterial error in the presentation of the December 31, 2021 interest rate swap liabilities in the table above. Such amount was incorrectly bracketed, which has since been corrected. The liability was correctly presented and classified in the Company's Consolidated Balance Sheet at December 31, 2021.

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, repurchase agreements, money markets and certificates of deposit, with maturities ranging from overnight to 90 days or less. The value of overnight repurchase agreements is determined based upon the quoted market prices for the securities associated with the repurchase agreements. The value of money market instruments is determined based upon the financial institutions' month-end statement, as these instruments are not tradable and must be settled directly by us with the respective financial institution. Certificates of deposit are valued at cost, plus interest accrued. Given the short-term nature of these instruments, the carrying value approximates fair value. Foreign exchange derivative contracts are carried at fair value, with changes in fair value recognized in the Consolidated Statements of Income. The fair value of the Company's derivatives is derived with reference to a valuation from a derivatives dealer operating in an active market, which approximates the fair value of these instruments. The fair value represents the net settlement if the contracts were terminated as of the reporting date. Cash collateral received for foreign exchange derivatives is recorded within customer deposits in our Consolidated Balance Sheet at September 30, 2022 and December 31, 2021. Cash collateral deposited for foreign exchange derivatives is recorded within restricted cash in our Consolidated Balance Sheet at September 30, 2022 and December 31, 2021.

The level within the fair value hierarchy and the measurement technique are reviewed quarterly. Transfers between levels are deemed to have occurred at the end of the quarter. There were no transfers between fair value levels during the periods presented for September 30, 2022 and December 31, 2021.

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

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

The Company regularly evaluates the carrying value of its investments. The carrying amount of investments without readily determinable fair values was $74.3 million at September 30, 2022.

The Company typically reviews long-lived assets and goodwill for impairment annually in the fourth quarter and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable or if an indicator of impairment exists. The recent military conflict between Russia and Ukraine has created significant uncertainty and risk in the economic environment in which the Russia reporting unit operates. As such, the Company completed an analysis during the period, which resulted in no impairment. The Company continues to monitor the economic uncertainty, while assessing the financial impact and outlook for the Russia reporting unit.

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 quarterly 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 1, 2024. On January 25, 2022, the Board increased the aggregate size of the Program by $1.0 billion, to $6.1 billion. Since the beginning of the Program through September 30, 2022, 25,699,551 shares have been repurchased for an aggregate purchase price of $5.7 billion, leaving the Company up to $0.4 billion of remaining authorization available under the Program for future repurchases in shares of its common stock.

On October 25, 2022, the Board increased the aggregate size of the Program by $1.0 billion to an aggregate of $7.1 billion, with approximately $1.4 billion remaining.

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 share-based payments recognized in the three and nine months ended September 30, 2022 and 2021 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Stock options	$ 17,434	$ 3,792	$ 53,558	$ 13,394
Restricted stock	16,747	12,661	47,270	38,691
Stock-based compensation	$ 34,181	$ 16,453	$ 100,828	$ 52,085

The tax benefits recorded on stock-based compensation and upon the exercises of options were $23.9 million and $33.2 million for the nine months ended September 30, 2022 and 2021, respectively.

The following table summarizes the Company's total unrecognized compensation cost related to stock based compensation as of September 30, 2022 (cost in thousands):

	Unrecognized Compensation Cost	Weighted Average Period of Expense Recognition (in Years)
Stock options	$ 64,530	1.90
Restricted stock	61,015	0.95
Total	$ 125,545	

Stock Options

The following summarizes the changes in the number of shares of common stock under option for the nine months ended September 30, 2022 (shares/options and aggregate intrinsic value in thousands):

	Shares	Weighted Average Exercise Price	Options Exercisable at End of Period	Weighted Average Exercise Price of Exercisable Options	Weighted Average Fair Value of Options Granted During the Period	Aggregate Intrinsic Value
Outstanding at December 31, 2021	5,447	$ 176.52	3,798	$ 145.18		$ 257,707
Granted	612	226.23			$ 65.85	
Exercised	(333)	64.34				54,752
Forfeited	(51)	244.77				
Outstanding at September 30, 2022	5,675	$ 187.86	4,085	$ 167.60		$ 99,121
Expected to vest as of September 30, 2022	1,589	$ 239.94				

The aggregate intrinsic value of stock options exercisable at September 30, 2022 was $99.1 million. The weighted average remaining contractual term of options exercisable at September 30, 2022 was 3.9 years.

Restricted Stock

The following table summarizes the changes in the number of shares of restricted stock and restricted stock units for the nine months ended September 30, 2022 (shares in thousands):

	Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2021	278	$ 278.57
Granted	382	229.05
Vested	(146)	267.56
Canceled or forfeited	(45)	322.07
Outstanding at September 30, 2022	469	$ 237.61

6. Acquisitions

2022 Acquisitions

Levarti, Accrualify, and Plugsurfing

During 2022, the Company acquired Levarti, an airline software platform company reported in the Lodging segment, Accrualify, an accounts payable (AP) automation software company reported in the Corporate Payments segment, and Plugsurfing, a European electric vehicle (EV) software and network provider reported in the Fleet segment. The aggregate purchase price of these acquisitions was approximately $140.7 million, net of cash. The Company financed the acquisitions using a combination of available cash and borrowings under its existing credit facility. In connection with one of these acquisitions, the Company signed noncompete agreements with certain parties affiliated with the business for which the Company is still completing the valuation. These noncompete agreements were accounted for separately from the business acquisition.

Acquisition accounting is preliminary as the Company is still completing the valuation for goodwill, intangible assets, income taxes, working capital, and contingencies.

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

Trade and other receivables	$	5,547
Prepaid expenses and other current assets		14,810
Other long term assets		4,598
Goodwill		104,377
Intangibles		52,364
Other current liabilities		(18,006)
Other noncurrent liabilities		(22,919)
Aggregate purchase price	$	140,771

Roomex (Subsequent to September 30, 2022)

On November 1, 2002, the Company completed the acquisition of Roomex, a European workforce lodging provider serving the U.K. and German markets for approximately $60 million. The Company is in the process of performing the acquisition accounting for the assets acquired and liabilities assumed in the transaction.

Other

In February 2022, the Company also made investments of $7.8 million in an electric vehicle charging payments business and $5.0 million in an electric vehicle data analytics business. In September 2022, the Company made an investment of $6.1 million in a U.K. based electric vehicle search and pay mapping service.

2021 Acquisitions

ALE

On September 1, 2021, the Company completed the acquisition of ALE Solutions, Inc. (ALE), a leader in lodging solutions to the insurance industry, for a net purchase price of $421.8 million. The purpose of this acquisition is to expand the Company's lodging business into the insurance vertical. The Company financed the acquisition using a combination of available cash and borrowings under its existing credit facility. The results from the acquisition are reported in the Lodging segment.

In connection with this acquisition, the Company signed noncompete agreements with certain parties affiliated with the business with an estimated fair value of $18.3 million. These noncompete agreements were accounted for separately from the business acquisition.

The following table summarizes the final acquisition accounting for ALE (in thousands):

Trade and other receivables	$	178,396
Prepaid expenses and other current assets		2,555
Other long term assets		10,121
Goodwill		136,471
Intangibles		175,800
Accounts payable and accrued expenses		(31,048)
Other current liabilities		(38,866)
Other noncurrent liabilities		(11,596)
Aggregate purchase price	$	421,833

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	Indefinite	$	14,500
Proprietary Technology	4		14,400
Lodging Network	20		800
Customer Relationships	15		146,100
		$	175,800

AFEX

On June 1, 2021, the Company completed the acquisition of Associated Foreign Exchange (AFEX), a U.S. based, cross-border payment solutions provider, for $459.1 million. This includes $210.3 million of cash and cash equivalents and $178.7 million of restricted cash, resulting in a net purchase price of $70.1 million. The purpose of this acquisition is to further expand the Company's cross border payment solutions. The Company financed the acquisition using a combination of available cash and borrowings under its existing credit facility. The results from the acquisition are reported in the Corporate Payments segment.

In connection with this acquisition, the Company signed noncompete agreements with certain parties affiliated with the business with an estimated fair value of $4.1 million. These noncompete agreements were accounted for separately from the business acquisition.

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

Trade and other receivables	$	8,159
Prepaid expenses and other current assets		108,402
Property, plant and equipment		1,723
Other long term assets		51,074
Goodwill		257,332
Intangibles		237,900
Accounts payable and accrued expenses		(40,164)
Other current liabilities		(81,430)
Customer deposits		(375,049)
Other noncurrent liabilities		(97,855)
Aggregate purchase price	$	70,092

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	$	5,400
Proprietary Technology	4		11,800
Banking Relationships	20		1,800
Licenses	20		2,600
Customer Relationships	10		216,300
		$	237,900

Roger

On January 13, 2021, the Company completed the acquisition of Roger, rebranded Corpay One, a global accounts payable (AP) cloud software platform for small businesses, for $39.0 million, net of cash acquired. The Company financed the acquisition using a combination of available cash and borrowings under its existing credit facility. The results from the acquisition are reported in the Corporate Payments segment.

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

Accounts and other receivables	$	110
Prepaid expenses and other current assets		37
Other assets		28
Goodwill		34,359
Other intangibles		5,400
Current liabilities		(925)
Deferred income taxes		(6)
Aggregate purchase price	$	39,003

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

	Useful Lives (in Years)	Value
Proprietary Technology	10	$ 4,800
Customer Relationships	13	600
		$ 5,400

Other

On December 15, 2021, the Company acquired a mobile fuel payments solution in Russia for a net purchase price of $5.0 million. Acquisition accounting for this acquisition is preliminary as the Company is still completing the valuation of certain goodwill, intangible assets, income taxes and working capital adjustments. The results from the acquisition are reported in the Fleet segment. During 2021, the Company made an investment of $37.8 million in a joint venture with CAIXA, a leading bank in Brazil. The Company also made investments in other businesses of $6.8 million. The Company financed all of these investments and acquisitions using a combination of available cash and borrowings under its existing credit facility.

7. Goodwill and Other Intangibles

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

	December 31, 2021	Acquisitions	Acquisition Accounting Adjustments	Foreign Currency	September 30, 2022
Goodwill	$ 5,078,978	$ 104,377	$ 8,849	$ (123,250)	$ 5,068,954

As of September 30, 2022 and December 31, 2021, other intangibles consisted of the following (in thousands):

		September 30, 2022			December 31, 2021		
	Weighted-Avg Useful Lives (Years)	Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amount
Customer and vendor relationships	16.5	$ 2,886,386	$ (1,264,559)	$ 1,621,827	$ 2,925,719	$ (1,167,218)	$ 1,758,501
Trade names and trademarks—indefinite lived	N/A	456,239	—	456,239	466,327	—	466,327
Trade names and trademarks—other	6.8	11,644	(7,214)	4,430	12,093	(5,235)	6,858
Software	5.9	273,822	(210,644)	63,178	272,461	(198,628)	73,833
Non-compete agreements	4.3	79,543	(55,985)	23,558	78,145	(48,279)	29,866
Total other intangibles		$ 3,707,634	$ (1,538,402)	$ 2,169,232	$ 3,754,745	$ (1,419,360)	$ 2,335,385

Changes in foreign exchange rates resulted in a $45.8 million decrease to the net carrying values of other intangibles in the nine months ended September 30, 2022. Amortization expense related to intangible assets for the nine months ended September 30, 2022 and 2021 was $163.1 million and $151.2 million, respectively.

8. Debt

The Company is party to a $6.4 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"). The Credit Agreement includes term loan A, term loan B, and a revolving credit facility. As noted in footnote 2, the Company is also party to a Securitization Facility.

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

	September 30, 2022	December 31, 2021
Term Loan A note payable, net of discounts and issuance costs	$ 2,974,412	$ 2,763,162
Term Loan B note payable, net of discounts and issuance costs	1,859,798	1,871,505
Revolving line of credit facilities	905,000	225,000
Total notes payable and credit agreements	5,739,210	4,859,667
Securitization Facility	1,482,000	1,118,000
Total notes payable, credit agreements and Securitization Facility	$ 7,221,210	$ 5,977,667
Current portion	$ 2,476,088	$ 1,517,628
Long-term portion	4,745,122	4,460,039
Total notes payable, credit agreements and Securitization Facility	$ 7,221,210	$ 5,977,667

On June 24, 2022, the Company entered into the twelfth amendment to the Credit Agreement. The amendment replaced the existing term loan A with a new $3 billion term loan A and the revolving credit facility with a new $1.5 billion revolving credit facility, resulting in net increases of $273 million and $215 million, respectively. The amendment also replaced LIBOR on the term loan A and revolving credit facility with the Secured Overnight Financing Rate ("SOFR"), plus a SOFR adjustment of 0.10% and extended the maturity date for the term loan A and revolving credit facility to June 24, 2027.

On August 18, 2022, the Company entered into the eleventh amendment to the Securitization Facility. The amendment increased the Securitization Facility commitment from $1.6 billion to $1.7 billion, reduced the program fee margin and extended the maturity of the Securitization Facility to August 18, 2025. The Company has unamortized debt issuance costs of $3.5 million and $2.5 million related to the Securitization Facility as of September 30, 2022 and December 31, 2021, respectively, recorded within other assets in the Consolidated Balance Sheets.

The Company was in compliance with all financial and non-financial covenants under the Credit Agreement and Securitization Facility at September 30, 2022.

9. Income Taxes

The provision for income taxes differs from amounts computed by applying the U.S. federal tax rate of 21% for 2022 and 2021 to income before income taxes for the three months ended September 30, 2022 and 2021 due to the following (in thousands):

	2022		2021	
Computed expected tax expense	$ 71,379	21.0 %	$ 64,706	21.0 %
Changes resulting from:				
Foreign income tax differential	(717)	(0.2)%	(2,692)	(0.9)%
Excess tax benefit related to stock-based compensation	(12)	— %	(5,044)	(1.6)%
State taxes net of federal benefits	5,588	1.6 %	4,927	1.6 %
Foreign withholding	3,653	1.1 %	3,304	1.1 %
GILTI, net of foreign tax credits	1,196	0.4 %	1,907	0.6 %
Foreign sourced non taxable income	88	— %	81	— %
Stock-based compensation	1,614	0.5 %	1,043	0.3 %
Sub-part F Income	3,382	1.0 %	2,139	0.7 %
Other	4,842	1.4 %	3,746	1.3 %
Provision for income taxes	$ 91,013	26.8 %	$ 74,115	24.1 %

10. Earnings Per Share

The Company reports basic and diluted earnings per share. Basic earnings per share is computed by dividing net income attributable to shareholders of the Company by the weighted average number of common shares outstanding during the reported period. Diluted earnings per share reflect the potential dilution related to equity-based incentives using the treasury stock method. The calculation and reconciliation of basic and diluted earnings per share for the three and nine months ended September 30, 2022 and 2021 is as follows (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	$ 248,885	$ 234,007	$ 729,008	$ 614,493
Denominator for basic earnings per share	74,461	81,836	76,311	82,811
Dilutive securities	1,097	1,880	1,376	2,106
Denominator for diluted earnings per share	75,558	83,716	77,687	84,917
Basic earnings per share	$ 3.34	$ 2.86	$ 9.55	$ 7.42
Diluted earnings per share	$ 3.29	$ 2.80	$ 9.38	$ 7.24

Diluted earnings per share for the three months ended September 30, 2022 and 2021 excludes the effect of 2.5 million and 0.2 million, respectively, of common stock that may be issued upon the exercise of employee stock options because such effect would be anti-dilutive. Diluted earnings per share also excludes the effect of an immaterial amount and 0.2 million shares of performance-based restricted stock for which the performance criteria have not yet been achieved for the three month periods ended September 30, 2022 and 2021, respectively.

11. Segments

The Company reports information about its operating segments in accordance with the authoritative guidance related to segments. In the second quarter of 2022, in order to align with recent changes in the organizational structure and management reporting, the Company updated its segments structure into Fleet, Corporate Payments, Lodging, Brazil and Other, which includes our Gift and Paycard businesses. We manage and report our operating results through these five reportable segments which aligns with how the Chief Operating Decision Maker (CODM) allocates resources, assesses performance and reviews financial information. The presentation of segment information has been recast for the prior periods to align with this segment presentation for the three and nine months ended September 30, 2022.

The Company's segment results are as follows for the three and nine month periods ended September 30, 2022 and 2021 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022[1]	2021	2022[1]	2021
Revenues, net:				
Fleet	$ 395,203	$ 343,194	$ 1,124,157	$ 971,258
Corporate Payments	196,941	168,684	570,408	425,466
Lodging	125,961	85,214	337,438	206,498
Brazil	108,583	94,888	322,945	262,481
Other[2]	66,312	63,497	188,571	165,778
	$ 893,000	$ 755,477	$ 2,543,519	$ 2,031,481
Operating income:				
Fleet	$ 192,598	$ 181,787	$ 547,233	$ 501,406
Corporate Payments	69,669	53,512	193,735	146,526
Lodging	63,463	44,027	161,802	98,801
Brazil	44,646	39,943	123,591	105,499
Other[2]	18,794	19,418	51,010	50,032
	$ 389,170	$ 338,687	$ 1,077,371	$ 902,264
Depreciation and amortization:				
Fleet	$ 34,897	$ 36,378	$ 104,531	$ 109,417
Corporate Payments	15,864	15,526	48,936	37,079
Lodging	10,474	7,301	31,329	17,685
Brazil	13,756	12,910	41,164	38,091
Other[2]	2,222	2,122	6,529	6,912
	$ 77,213	$ 74,237	$ 232,489	$ 209,184

[1]Results from Levarti acquired in the first quarter of 2022 are reported in our Lodging segment. Results from Accrualify and Plugsurfing acquired in the third quarter of 2022 are reported in our Corporate Payments and Fleet segments, respectively.

[2]Other includes gift and payroll card components.

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 Federal Derivative Action alleges that the defendants issued a false and misleading proxy statement in violation of the federal securities laws; that defendants breached their fiduciary duties by causing or permitting the Company to make allegedly false and misleading public statements concerning the Company's fee charges and financial and business prospects; and that certain defendants breached their fiduciary duties through allegedly improper sales of stock. The complaint seeks unspecified monetary damages from the Company, corporate governance reforms, disgorgement of profits, benefits and compensation by the defendants, restitution, costs, and attorneys' and experts' fees. On September 20, 2018, the court entered an order deferring the Federal Derivative Action pending a ruling on motions for summary judgment in the then-pending shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed to by the parties. After preliminary approval of the proposed settlement of the shareholder class action was granted, the stay on the Federal Derivative Action was lifted. Plaintiffs amended their complaint on February 22, 2020. FLEETCOR filed a motion to dismiss the amended complaint in the Federal Derivative Action on April 17, 2020, which the Court granted without leave to amend on October 21, 2020. Plaintiffs filed a notice of appeal to the United States Court of Appeals for the Eleventh Circuit on November 18, 2020. The Eleventh Circuit affirmed the district court's ruling dismissing the case in an order issued on July 27, 2022.

On January 9, 2019, a similar shareholder derivative complaint was filed in the Superior Court of Gwinnett County, Georgia ("State Derivative Action"), which was stayed pending a ruling on motions for summary judgment in the shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed by the parties. On October 31, 2022, the Court granted the Company's motion to dismiss the State Derivative Action after the Eleventh Circuit affirmed the dismissal of the Federal Derivative Action.

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. The Company is exploring mediation with the FTC. The Company has incurred and continues to incur legal and other fees related to this complaint. Any settlement of this matter, or defense against the lawsuit, could involve costs to the Company, including legal fees, redress, penalties, and remediation expenses. At this time, in view of the complexity and ongoing nature of the matter, we are unable to estimate a reasonably possible loss or range of loss that we may incur to settle this matter or defend against the lawsuit brought by the FTC.

13. Derivative Financial Instruments and Hedging Activities

Foreign Currency Derivatives

The Company uses derivatives to facilitate cross-currency corporate payments by writing derivatives 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 we are engaged in similar activities with similar economic characteristics related to fluctuations in foreign currency rates. The Company performs a review of the credit risk of these counterparties at the inception of the contract and on an ongoing basis. The Company also monitors the concentration of its contracts with any individual counterparty against limits at the individual counterparty level. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements, but takes action when doubt arises about the counterparties' ability to perform. These actions may include requiring customers to post or increase collateral, and for all counterparties, if the counterparty does not perform under the term of the contract, the contract may be terminated. The Company does not designate any of its foreign exchange derivatives as hedging instruments in accordance with ASC 815, "Derivatives and Hedging".

The aggregate equivalent U.S. dollar notional amount of foreign exchange derivative customer contracts held by the Company as of September 30, 2022 and December 31, 2021 (in millions) is presented in the following table.

	Notional	
	September 30, 2022	**December 31, 2021**
Foreign exchange contracts:		
Swaps	$ 1,088.3	$ 2,670.4
Futures, forwards and spot	13,881.0	7,818.3
Written options	14,365.2	11,221.9
Purchased options	12,867.2	10,614.0
Total	$ 42,201.7	$ 32,324.5

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 September 30, 2022 and December 31, 2021 (in millions):

	September 30, 2022			
	Fair Value, Gross		Fair Value, Net	
	Derivative Assets	**Derivative Liabilities**	**Derivative Assets**	**Derivative Liabilities**
Derivatives - undesignated:				
Foreign exchange contracts	$ 1,007.9	$ 987.8	$ 484.7	$ 464.6
Cash collateral	112.5	142.3	112.5	142.3
Total net of cash collateral	$ 895.4	$ 845.5	$ 372.2	$ 322.3

	December 31, 2021			
	Fair Value, Gross		Fair Value, Net	
	Derivative Assets	**Derivative Liabilities**	**Derivative Assets**	**Derivative Liabilities**
Derivatives - undesignated:				
Foreign exchange contracts	$ 338.8	$ 307.8	$ 120.9	$ 89.9
Cash collateral	25.9	24.8	25.9	24.8
Total net of cash collateral	$ 312.9	$ 283.0	$ 95.0	$ 65.1

The fair values of derivative assets and liabilities associated with contracts, which include netting terms that the Company believes to be enforceable, have been recorded net within the Consolidated Balance Sheets. The Company receives cash from customers as collateral for trade exposures, which is recorded within cash and cash equivalents and customer deposits in the Consolidated Balance Sheets. The customer has the right to recall their collateral in the event exposures move in their favor, they perform on all outstanding contracts and have no outstanding amounts due to the Company, or they cease to do business with the Company. The Company has trading lines with several banks, most of which require collateral to be posted if certain 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. 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 September 30, 2022 and December 31, 2021 (in millions).

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	Balance Sheet Classification	September 30, 2022	December 31, 2021
		Fair Value	
Derivative Assets	Prepaid expenses and other current assets	$ 369.1	$ 94.0
Derivative Assets	Other assets	$ 115.6	$ 26.9
Derivative Liabilities	Other current liabilities	$ 357.0	$ 66.9
Derivative Liabilities	Other noncurrent liabilities	$ 107.6	$ 23.0

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 two remaining contracts each have a notional value of $500 million. The objective of these swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt, the sole source of which is due to changes in the LIBOR benchmark interest rate. At inception, the Company designated these contracts as hedging instruments in accordance with ASC 815, "Derivatives and Hedging".

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

As of September 30, 2022, the Company had the following outstanding interest rate derivatives that qualify as hedging instruments and are designated as cash flow hedges of interest rate risk (in millions):

	Notional Amount as of September 30, 2022	Fixed Rates	Maturity Date
Interest Rate Derivative:			
Interest Rate Swap	$ 500	2.56%	1/31/2023
Interest Rate Swap	$ 500	2.55%	12/19/2023

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

The 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 September 30, 2022 and December 31, 2021 (in millions). See Note 3 for additional information on the fair value of the Company’s swap contracts.

	Balance Sheet Classification	September 30, 2022	December 31, 2021
		Fair Value	
Derivatives designated as cash flow hedges:			
Swap contracts	Prepaid expenses and other current assets	$ 11.3	$ —
Swap contracts	Other assets	$ 1.6	$ —
Swap contracts	Other current liabilities	$ —	$ 23.4
Swap contracts	Other noncurrent liabilities	$ —	$ 7.3

The estimated net amount of the existing gains expected to be reclassified into earnings within the next 12 months is approximately $11.3 million at September 30, 2022.

14. Accumulated Other Comprehensive Loss (AOCL)

The changes in the components of AOCL for the nine months ended September 30, 2022 and 2021 are as follows (in thousands):

	September 30, 2022		
	Cumulative Foreign Currency Translation	Unrealized (Losses) Gains on Derivative Instruments	Total Accumulated Other Comprehensive (Loss) Income
Balance at December 31, 2021	$ (1,441,505)	$ (23,111)	$ (1,464,616)
Other comprehensive (loss) income before reclassifications	(228,666)	30,084	(198,582)
Amounts reclassified from AOCL	—	13,582	13,582
Tax effect	—	(10,829)	(10,829)
Other comprehensive (loss) income	(228,666)	32,837	(195,829)
Balance at September 30, 2022	$ (1,670,171)	$ 9,726	$ (1,660,445)

	September 30, 2021		
	Cumulative Foreign Currency Translation	Unrealized (Losses) Gains on Derivative Instruments	Total Accumulated Other Comprehensive (Loss) Income
Balance at December 31, 2020	$ (1,296,962)	$ (66,196)	$ (1,363,158)
Other comprehensive (loss) income before reclassifications	(102,191)	1,689	(100,502)
Amounts reclassified from AOCL	—	37,128	37,128
Tax effect	—	(9,512)	(9,512)
Other comprehensive (loss) income	(102,191)	29,305	(72,886)
Balance at September 30, 2021	$ (1,399,153)	$ (36,891)	$ (1,436,044)

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, 2021 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 and nine months ended September 30, 2022 and 2021, with period-over-period comparisons between these periods. A detailed discussion of 2021 items and period-over-period comparisons between the three and nine months ended September 30, 2021 and 2020 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 September 30, 2021.

Executive Overview

FLEETCOR is a leading global business payments company that helps businesses spend less by providing innovative solutions that enable and control expense-related purchasing and payment processes. Since its incorporation in 2000, FLEETCOR has continued to deliver on its mission: to provide businesses with "a better way to pay". FLEETCOR has been a member of the S&P 500 since 2018 and trades on the New York Stock Exchange under the ticker FLT.

As previously described in our Annual Report on Form 10-K for the year ended December 31, 2021, businesses spend an estimated $125 trillion each year with other businesses. In many instances, they lack the proper tools to monitor what is being purchased, and employ manual, paper-based, disparate processes and methods to both approve and make payments for their purchases. This often results in wasted time and money due to unnecessary or unauthorized spending, fraud, receipt collection, data input and consolidation, report generation, reimbursement processing, account reconciliations, employee disciplinary actions, and more.

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

In the second quarter of 2022, in order to align with recent changes in the organizational structure and management reporting, the Company updated its segment structure into Fleet, Corporate Payments, Lodging, Brazil and Other. The presentation of segment information has been recast for the prior periods to align with this segment presentation for the three and nine months ended September 30, 2022. We manage and report our operating results through five reportable segments, Fleet, Corporate Payments, Lodging, Brazil and Other, which aligns with how the Chief Operating Decision Maker (CODM) allocates resources, assesses performance and reviews financial information. However, to help facilitate an understanding of our expansive range of solutions around the world, we describe them in two categories: Expense Management solutions, which help control and monitor employee spending, and Corporate Payments solutions, which simplify and automate vendor payments.

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

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

Impact of COVID-19 on Our Business

The novel strain of coronavirus (including variants thereof, "COVID-19") has had, and could continue to have, an adverse impact on our results of operations and liquidity and various aspects of the world economy and our customers, suppliers and vendors. The extent to which the COVID-19 pandemic continues to impact our business operations, financial results, and liquidity through the remainder of 2022 will depend on numerous evolving factors that we may not be able to accurately predict or assess, including the duration and scope of the pandemic and the geographies most affected; vaccine availability globally, distribution, efficacy to new strains of the virus, the effectiveness of vaccines and treatments over the long term and against new variants, and the public's willingness to get vaccinated, potential disruptions impacting our suppliers and vendors resulting, directly or indirectly, from new outbreaks of COVID-19, vaccine mandates and/or vaccine hesitancy; our response to the continued impact of the pandemic; the negative impact the COVID-19 pandemic has on global and regional economies and general economic activity, including the duration and magnitude of its impact on unemployment rates and business spending levels; its short- and longer-term impact on the levels of consumer confidence; the ability of our suppliers, vendors and customers to successfully address the continued impacts of the pandemic; and the effectiveness of actions of governments, businesses and individuals take in response to the pandemic, including quarantines, vaccine mandates, facility closures, travel and logistics restrictions or other restrictions or lockdowns resulting from new COVID-19 outbreaks; the inflationary impact of actions taken in connection with government and business responses to the COVID-19 pandemic; and how quickly economies recover after any new or continuing outbreak of COVID-19 subsides.

Impact of Russia's Invasion of Ukraine on Our Business

The current conflict between Russia and Ukraine is creating substantial uncertainty about the role Russia will play in the global economy in the future. Although the length, impact and outcome of the ongoing military conflict between Russia and Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions. The escalation or continuation of this conflict presents heightened risks and has resulted and could continue to result in volatile commodity markets, supply chain disruptions, increased risk of cyber incidents or other disruptions to information systems, heightened risks to employee safety, significant volatility of the Russian ruble, limitations on access to credit markets, increased operating costs (including fuel and other input costs), the frequency and volume of failures to settle securities transactions, inflation, potential for increased volatility in commodity, currency and other financial markets, safety risks, and restrictions on the transfer of funds to and from Russia. We cannot predict how and the extent to which the conflict will affect our customers, operations or business partners or the demand for our products and our global business. Depending on the actions we take or are required to take, the ongoing conflict could also result in loss of cash, assets or impairment charges. Additionally, we may also face negative publicity and reputational risk based on the actions we take or are required to take as a result of the conflict, which could damage our brand image or corporate reputation.

The extent of the impact of these tragic events on our business remains uncertain and will continue to depend on numerous evolving factors that we are not able to accurately predict, including the extent, severity, duration and outcome of the conflict. We are actively monitoring the situation and assessing its impact on our business, analyzing options as they develop, and are continuing to refine our business continuity plan, which may include the potential disposition of our Russian operations, and crisis response materials designed to mitigate the impact of disruptions to our business. There can be no assurance that our plan will successfully mitigate all disruptions. To date we have not experienced any material interruptions in our infrastructure, technology systems or networks needed to support our operations. The extent, severity, duration and outcome of the military conflict, 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.

Our business in Russia accounted for approximately 2.8% and 4.9% of our consolidated net revenues and net income for the year ended December 31, 2021, respectively, and accounted for approximately 3.1% and 6.1% of our consolidated net revenues and net income for the nine months ended September 30, 2022, respectively. Our assets in Russia were approximately 2.4% of our consolidated assets at December 31, 2021 and approximately 3.1% of our consolidated assets at September 30, 2022. The net book value of our assets in Russia at September 30, 2022 was approximately $255 million, of which $247 million is restricted cash. As described in Note 3 to our condensed consolidated financial statements, we currently have not recognized any impairment charges related to the assets of our Russian business. However, the extent, severity, duration and outcome of the conflict between Russia and Ukraine and related sanctions could potentially impact the value of our assets in Russia as the conflict continues. Our Russian business is part of our Fleet segment.

See Part II, Item 1A "Risk Factors – Risks Associated with the Conflict between Russia and Ukraine" for additional discussion regarding the risks associate with the ongoing conflict between Russia and Ukraine.

Results

Revenues, net, Net Income and Net Income Per Diluted Share. Set forth below are revenues, net, net income and net income per diluted share for the three and nine months ended September 30, 2022 and 2021, (in millions, except per share amounts).

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Unaudited)	**2022**	**2021**	**2022**	**2021**
Revenues, net	$ 893.0	$ 755.5	$ 2,543.5	$ 2,031.5
Net income	$ 248.9	$ 234.0	$ 729.0	$ 614.5
Net income per diluted share	$ 3.29	$ 2.80	$ 9.38	$ 7.24

Adjusted Net Income and Adjusted Net Income Per Diluted Share. Set forth below are adjusted net income and adjusted net income per diluted share for the three and nine months ended September 30, 2022 and 2021 (in millions, except per share amounts).

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Unaudited)	**2022**	**2021**	**2022**	**2021**
Adjusted net income	$ 320.7	$ 294.4	$ 936.5	$ 804.9
Adjusted net income per diluted share	$ 4.24	$ 3.52	$ 12.06	$ 9.48

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

FLEETCOR offers a variety of business payment solutions that help to simplify, automate, secure, digitize and effectively control the way businesses manage and pay their expenses. We provide our payment solutions to our business, merchant, consumer and payment network customers in more than 150 countries around the world today, although we operate primarily in three geographies, with 85% 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), partners for whom we manage payment programs, as well as individual consumers.

Revenues, net, by Segment. For the three and nine months ended September 30, 2022 and 2021, our segments generated the following revenue (in millions).

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		**2021**		**2022**		**2021**	
(Unaudited)*	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**	**Revenues, net**	**% of Total Revenues, net**
Fleet	$ 395.2	44 %	$ 343.2	45 %	$ 1,124.2	44 %	$ 971.3	48 %
Corporate Payments	196.9	22 %	168.7	22 %	570.4	22 %	425.5	21 %
Lodging	126.0	14 %	85.2	11 %	337.4	13 %	206.5	10 %
Brazil	108.6	12 %	94.9	13 %	322.9	13 %	262.5	13 %
Other	66.3	7 %	63.5	8 %	188.6	7 %	165.8	8 %
Consolidated revenues, net	$ 893.0	100 %	$ 755.5	100 %	$ 2,543.5	100 %	$ 2,031.5	100 %

*Columns may not calculate due to rounding. Other includes our Gift and Paycard businesses.

Revenues, net by Geography and Solution. Revenue by geography and solution for the three and nine months ended September 30, 2022 and 2021 (in millions), was as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Unaudited)	2022		2021		2022		2021	
Revenues, net by Geography*	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net
United States	$ 558.3	63 %	$ 488.2	65 %	$ 1,557.7	61 %	$ 1,271.5	63 %
Brazil	108.6	12 %	94.9	13 %	322.9	13 %	262.5	13 %
United Kingdom	90.4	10 %	81.9	11 %	278.4	11 %	241.0	12 %
Other	135.8	15 %	90.5	12 %	384.5	15 %	256.5	13 %
Consolidated revenues, net	$ 893.0	100 %	$ 755.5	100 %	$ 2,543.5	100 %	$ 2,031.5	100 %

*Columns may not calculate due to rounding.

	Three Months Ended September 30,				Nine Months Ended September 30,			
(Unaudited)	2022		2021		2022		2020	
Revenues, net by Solution*	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net	Revenues, net	% of Total Revenues, net
Fuel	$ 361.8	41 %	$ 306.8	41 %	$ 1,027.2	40 %	$ 863.8	43 %
Corporate Payments	196.9	22 %	168.7	22 %	570.4	22 %	425.5	21 %
Tolls	88.6	10 %	79.0	10 %	264.7	10 %	219.4	11 %
Lodging	126.0	14 %	85.2	11 %	337.4	13 %	206.5	10 %
Gift	52.0	6 %	48.6	6 %	147.2	6 %	124.3	6 %
Other	67.7	8 %	67.2	9 %	196.6	8 %	192.1	9 %
Consolidated revenues, net	$ 893.0	100 %	$ 755.5	100 %	$ 2,543.5	100 %	$ 2,031.5	100 %

*Columns may not calculate due to rounding. Other includes telematics, maintenance, food, payroll card and transportation related businesses.

We generate revenue in our Fuel solutions 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 solutions, the primary measure of volume is spend, the dollar amount of payments processed on behalf of customers through our various networks. We primarily earn 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 performance obligation in our foreign exchange payment services is providing a foreign currency payment to a customer's designated recipient and therefore, we recognize revenue on foreign exchange payment services when the underlying payment is made. Revenues from foreign exchange payment services are primarily comprised of the difference between the exchange rate set by the Company to the customer and the rate available in the wholesale foreign exchange market.

In our Tolls solution, the relevant measure of volume is average monthly tags active during the period. We primarily earn revenue from fixed fees for access to the network and ancillary services provided. We also earn interchange on certain non-toll products.

In our Lodging solutions, 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 and commissions paid by hotels. We may also charge fees for access to the network and ancillary services provided.

In our Gift solutions, we primarily earn revenue from the processing of gift card transactions sold by our customers to end users, as well as from the sale of the plastic cards. We may also charge fixed fees for ancillary services provided.

The remaining revenues represent other products that due to their nature or size, are not considered primary products. These include telematics offerings, fleet maintenance, food and transportation employee benefits related offerings, payroll cards and long-haul transportation services.

The following table presents revenue per key performance metric by solution for the three months ended September 30, 2022 and 2021 (in millions except revenues, net per key performance metric).*

	As Reported				Pro Forma and Macro Adjusted[2]			
	Three Months Ended September 30,				Three Months Ended September 30,			
(Unaudited)	2022	2021	Change	% Change	2022	2021	Change	% Change
FUEL								
- Revenues, net	$361.8	$306.8	$55.0	18%	$321.2	$306.9	$14.3	5%
- Transactions	123.8	117.7	6.1	5%	123.8	119.1	4.7	4%
- Revenues, net per transaction	$2.92	$2.61	$0.31	12%	$2.59	$2.57	$0.02	1%
CORPORATE PAYMENTS								
- Revenues, net	$196.9	$168.7	$28.3	17%	$205.0	$169.0	$36.0	21%
- Spend volume	$30,609	$25,666	$4,943	19%	$30,609	$25,666	$4,943	19%
- Revenue, net per spend $	0.64%	0.66%	(0.01)%	(2)%	0.67%	0.66%	0.01%	2%
TOLLS								
- Revenues, net	$88.6	$79.0	$9.6	12%	$88.8	$79.0	$9.7	12%
- Tags (average monthly)	6.2	6.0	0.3	4%	6.2	6.0	0.3	4%
- Revenues, net per tag	$14.26	$13.25	$1.01	8%	$14.29	$13.25	$1.03	8%
LODGING								
- Revenues, net	$126.0	$85.2	$40.7	48%	$126.6	$99.1	$27.6	28%
- Room nights	9.9	7.6	2.2	29%	9.9	8.7	1.2	14%
- Revenues, net per room night	$12.78	$11.14	$1.64	15%	$12.85	$11.41	$1.44	13%
GIFT								
- Revenues, net	$52.0	$48.6	$3.3	7%	$53.2	$48.6	$4.6	9%
- Transactions	249.4	256.2	(6.7)	(3)%	249.4	256.2	(6.7)	(3)%
- Revenues, net per transaction	$0.21	$0.19	$0.02	10%	$0.21	$0.19	$0.02	12%
OTHER[1]								
- Revenues, net	$67.7	$67.2	$0.5	1%	$71.3	$67.2	$4.1	6%
- Transactions	10.5	8.9	1.6	18%	10.5	8.9	1.6	18%
- Revenues, net per transaction	$6.46	$7.58	$(1.12)	(15)%	$6.80	$7.58	$(0.78)	(10)%
FLEETCOR CONSOLIDATED REVENUES, NET								
- Revenues, net	$893.0	$755.5	$137.5	18%	$866.1	$769.7	$96.3	13%

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

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 "Ma nagement'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 FLEETCOR.

Revenue per relevant key performance indicator (KPI), which may include transaction, spend volume, monthly average active tags, room nights, or other metrics, is derived from the various revenue types as discussed above and can vary based on geography, the relevant merchant relationship, the payment 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. Revenue per KPI per customer may change as the level of services we provide to a customer increases or decreases, as macroeconomic factors change and as adjustments are made to merchant and customer rates. See "Results of Operations" for further discussion of transaction volumes and revenue per transaction.

Sources of Expenses

We incur expenses in the following categories:

- *Processing*—Our processing 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 (income), net*—Our other expense (income), net includes gains or losses from the following: sales of assets, foreign currency transactions, extinguishment of debt, and investments. Certain of these items may be presented separately on the Consolidated Statements of Income. This category also includes other miscellaneous non-operating costs and revenue.
- *Interest expense, net*—Our interest expense, net includes interest expense on our outstanding debt, interest income on our cash balances and interest on our interest rate swaps.
- *Provision for income taxes*—Our provision for income taxes consists 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, and internationally, including the current conflict between Russia and Ukraine, as discussed elsewhere in this Quarterly Report on Form 10-Q, and the ultimate impact of the COVID-19 pandemic. Factors affected by the economy include our transaction volumes, the credit risk of our customers and changes in tax laws across the globe. These factors affected our businesses in each of our segments.
- *Foreign currency changes*—Our results of operations are significantly impacted by changes in foreign currency exchange rates; namely, by movements of the Australian dollar, Brazilian real, British pound, Canadian dollar, Czech koruna, euro, Mexican peso, New Zealand dollar and Russian ruble, relative to the U.S. dollar. Approximately 61% and 63% of our revenues in the nine months ended September 30, 2022 and 2021, respectively, was derived in U.S. dollars and was not affected by foreign currency exchange rates. See "Results of Operations" for information related to foreign currency impacts on our total revenue, net.

  Our cross-border foreign currency trading business aggregates foreign exchange exposures arising from customer contracts and economically hedges the resulting net currency risks by entering into offsetting contracts with established financial institution counterparties. These contracts are subject to counterparty credit risk.
- *Fuel prices*—Our fleet customers use our products and services primarily in connection with the purchase of fuel. Accordingly, our revenue is affected by fuel prices, which are subject to significant volatility. A change in retail fuel prices could cause a decrease or increase in our revenue from several sources, including fees paid to us based on a percentage of each customer’s total purchase. Changes in the absolute price of fuel may also impact unpaid account balances and the late fees and charges based on these amounts. We estimate approximately 13% and 12% of revenues, net were directly impacted by changes in fuel price in the three months ended September 30, 2022 and 2021, respectively. We estimate approximately 13% and 12% of revenues, net were directly impacted by changes in fuel price in the nine months ended September 30, 2022 and 2021, respectively.
- *Fuel-price spread volatility*—A portion of our revenue involves transactions where we derive revenue from fuel price spreads, which is the difference between the price charged to a fleet customer for a transaction and the price paid to the

merchant for the same transaction. In these transactions, the price paid to the merchant is based on the wholesale cost of fuel. The merchant's wholesale cost of fuel is dependent on several factors including, among others, the factors described above affecting fuel prices. The fuel price that we charge to our customer is dependent on several factors including, among others, the fuel price paid to the merchant, posted retail fuel prices and competitive fuel prices. We experience fuel price spread contraction when the merchant's wholesale cost of fuel increases at a faster rate than the fuel price we charge to our customers, or the fuel price we charge to our customers decreases at a faster rate than the merchant's wholesale cost of fuel. The inverse of these situations produces fuel price spread expansion. We estimate approximately 6% and 5% of revenues, net were directly impacted by fuel price spreads in the three months ended September 30, 2022 and 2021, respectively. We estimate approximately 6% and 5% of revenues, net were directly impacted by fuel price spreads in the nine months ended September 30, 2022 and 2021, respectively.

- *Acquisitions*—Since 2002, we have completed over 90 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 to November 2, 2022, the U.S. Federal Open Market Committee has increased the benchmark rate six times for a total rate increase of 3.75 %. Additional increases are possible in future periods. We are exposed to market risk changes in interest rates on our cash investments and debt, particularly in rising interest rate environments. On January 22, 2019, we entered into three swap contracts. The objective of these swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt, the sole source of which is due to changes in the LIBOR benchmark interest rate. For each of these swap contracts, we pay a fixed monthly rate and receive one month LIBOR. In January 2022, $1.0 billion of our interest rate swaps matured.
- *Expenses*—Over the long term, we expect that our expense will decrease as a percentage of revenue as our revenue increases, 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 certain non-U.S. taxing jurisdictions are different than the U.S. tax rate. Consequently, as our earnings fluctuate between taxing jurisdictions, our effective tax rate fluctuates.

Acquisitions and Investments

2022

- On November 1, 2022, we completed the acquisition of Roomex, a European workforce lodging provider serving the U.K. and German markets for approximately $60 million.
- In September 2022, we made an investment of $6.1 million in a U.K. based electric vehicle search and pay mapping service.
- On September 6, 2022, we completed the acquisition of Plugsurfing, a European electric vehicle (EV) software and network provider, for $75.8 million.
- On August 3, 2022, we completed the acquisition of Accrualify, an accounts payable (AP) automation software company, for $42.3 million.
- On March 1, 2022, we completed the acquisition of Levarti, a U.S.-based airline software platform company, for $23.7 million.
- In February 2022, we made an investment of $7.8 million in an electric vehicle charging payments business and $5.0 million in an electric vehicle data analytics business.

2021

- On December 15, 2021, we completed the acquisition of a mobile fuel payments solution in Russia for an immaterial amount.
- On September 1, 2021, we completed the acquisition of ALE, a U.S. based provider of lodging solutions to the insurance industry, for $421.8 million.
- On June 1, 2021, we completed the acquisition of AFEX, a U.S. based cross-border payment solutions provider, for $459.1 million, including cash.

- On January 13, 2021, we completed the acquisition of Roger, which has been rebranded as Corpay One, a global AP cloud software platform for small businesses, for $39.0 million.
- During 2021, we made an investment of $37.8 million in a joint venture in Brazil with CAIXA. We made investments in other businesses of $6.8 million.

Results from our ALE and Levarti acquisitions are included in our Lodging segment, and results from our Accrualify, AFEX and Roger acquisitions are reported in our Corporate Payments segment, from the dates of acquisition. Results from our Plugsurfing and Russian acquisitions are reported in our Fleet segment from the date of acquisition.

Results of Operations

Three months ended September 30, 2022 compared to the three months ended September 30, 2021

The following table sets forth selected unaudited consolidated statements of income for the three months ended September 30, 2022 and 2021 (in millions, except percentages)*.

(Unaudited)	Three Months Ended September 30, 2022	% of Total Revenues, net	Three Months Ended September 30, 2021	% of Total Revenues, net	Increase (decrease)	% Change
Revenues, net:						
Fleet	$ 395.2	44.3 %	$ 343.2	45.4 %	$ 52.0	15.2 %
Corporate Payments	196.9	22.1 %	168.7	22.3 %	28.3	16.8 %
Lodging	126.0	14.1 %	85.2	11.3 %	40.7	47.8 %
Brazil	108.6	12.2 %	94.9	12.6 %	13.7	14.4 %
Other	66.3	7.4 %	63.5	8.4 %	2.8	4.4 %
Total revenues, net	893.0	100.0 %	755.5	100.0 %	137.5	18.2 %
Consolidated operating expenses:						
Processing	203.3	22.8 %	149.6	19.8 %	53.8	35.9 %
Selling	74.0	8.3 %	71.2	9.4 %	2.8	3.9 %
General and administrative	149.3	16.7 %	121.8	16.1 %	27.5	22.6 %
Depreciation and amortization	77.2	8.6 %	74.2	9.8 %	3.0	4.0 %
Operating income	389.2	43.6 %	338.7	44.8 %	50.5	14.9 %
Investment loss	0.2	— %	—	— %	0.2	NM
Other expense, net	3.7	0.4 %	1.5	0.2 %	2.2	NM
Interest expense, net	45.4	5.1 %	29.0	3.8 %	16.4	56.4 %
Provision for income taxes	91.0	10.2 %	74.1	9.8 %	16.9	22.8 %
Net income	$ 248.9	27.9 %	$ 234.0	31.0 %	$ 14.9	6.4 %
Operating income by segment:						
Fleet	$ 192.6		$ 181.8		$ 10.8	5.9 %
Corporate Payments	69.7		53.5		16.2	30.2 %
Lodging	63.5		44.0		19.4	44.1 %
Brazil	44.6		39.9		4.7	11.8 %
Other	18.8		19.4		(0.6)	(3.2)%
Total operating income	$ 389.2		$ 338.7		$ 50.5	14.9 %

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

Consolidated revenues, net

Consolidated revenues were $893.0 million in the three months ended September 30, 2022, an increase of $137.5 million, or 18.2%, from $755.5 million in the three months ended September 30, 2021. Consolidated revenues increased primarily due to organic growth of 13% driven by increases in transaction volumes and new sales growth, the impact of acquisitions completed in 2021 and 2022 of approximately $14 million and the positive impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a positive impact on our consolidated revenues for the three months ended September 30, 2022 over the comparable period in 2021 of approximately $27 million, driven primarily by the favorable impact of fuel prices of approximately $26 million and favorable fuel price spreads of approximately $21 million. These increases were partially offset by unfavorable foreign exchange rates of approximately $21 million, mostly in our U.K. businesses.

Consolidated operating income

Operating income was $389.2 million in the three months ended September 30, 2022, an increase of $50.5 million, or 14.9%, from $338.7 million in the comparable prior period. The increase in operating income was primarily due to organic growth driven by increases in transaction volume, acquisitions completed in 2022 and 2021, the favorable impact of fuel prices of $26 million and the favorable fuel price spreads of approximately $21 million. The increase in operating income was partially offset by additional stock compensation of $17 million and bad debt of $27 million in the second quarter of 2022 over the comparable prior period and unfavorable movements in foreign exchange rates of $10 million.

Consolidated operating expenses

Processing. Processing expenses were $203.3 million in the three months ended September 30, 2022, an increase of $53.8 million, or 35.9%, from $149.6 million in the comparable prior period. Increases were primarily due to higher variable expenses driven by larger transaction volumes, incremental bad debt of $27 million and approximately $5 million of expenses related to acquisitions completed in 2021 and 2022. Bad debt expense has increased as customer spend increased due to higher fuel prices in the second and third quarter of 2022, and as a result of new sales, which tend to have a higher loss rate.

Selling. Selling expenses were $74.0 million in the three months ended September 30, 2022, an increase of $2.8 million, or 3.9%, from $71.2 million in the comparable prior period. Increases in selling expenses were primarily associated with higher commissions and other variable costs due to increased sales volumes in the current period.

General and administrative. General and administrative expenses were $149.3 million in the three months ended September 30, 2022, an increase of $27.5 million, or 22.6%, from $121.8 million in the comparable prior period. Increases in general and administrative expenses were primarily due to increased stock based compensation expense of $17 million, the impact of acquisitions completed in 2021 and 2022 of approximately $4 million, and other increases associated with the growth of our business over the comparable prior period.

Depreciation and amortization. Depreciation and amortization expenses were $77.2 million in the three months ended September 30, 2022, an increase of $3.0 million, or 4.0%, from $74.2 million in the comparable prior period. Increases in depreciation and amortization expenses were primarily due to expenses related to acquisitions completed in 2021 and 2022 of approximately $3 million.

Interest expense, net. Interest expense, net was $45.4 million in the three months ended September 30, 2022, an increase of $16.4 million, or 56.4%, from $29.0 million in the comparable prior period. The increase in interest expense was primarily due to rising interest rates on increased borrowings partially offset by higher interest income earned on customer deposits and the benefit of 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.

	Three Months Ended September 30,	
(Unaudited)	**2022**	**2021**
Term loan A	3.60 %	1.59 %
Term loan B	3.96 %	1.84 %
Revolving line of credit	3.72 %	1.59 %
Foreign swing line	2.60 %	1.54 %

On January 22, 2019, we entered into three interest rate swap cash flow contracts. The objective of these interest rate swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2 billion of variable rate debt, tied to the one month LIBOR benchmark interest rate. During the three months ended September 30, 2022, as a result of these swap contracts, we incurred additional interest expense of $0.9 million or 0.34% over the average LIBOR rates on $1 billion of borrowings.

Provision for income taxes. The provision for income taxes and effective tax rate were $91.0 million and 26.8% in the three months ended September 30, 2022, an increase of $16.9 million, or a 22.8% change, from $74.1 million and 24.1% in the three months ended September 30, 2021. We provide for income taxes during interim periods based on an estimate of our effective tax rate for the year. Discrete items and changes in the estimate of the annual tax rate are recorded in the period they occur. The increase in the effective tax rate for the three months ended September 30, 2022 over the comparable period in 2021 was primarily due to less excess tax benefit on stock option exercises and less foreign-sourced income.

Net income. For the reasons discussed above, our net income increased to $248.9 million in the three months ended September 30, 2022, an increase of $14.9 million, or 6.4%, from $234.0 million in the three months ended September 30, 2021.

Segment Results

Fleet

Fleet revenues were $395.2 million in the three months ended September 30, 2022, an increase of $52.0 million, or 15.2%, from $343.2 million in the three months ended September 30, 2021. Fleet operating income was $192.6 million in the three months ended September 30, 2022, an increase of $10.8 million, or 5.9%, from $181.8 million in the comparable prior period. Fleet revenues and operating income increased primarily due to organic growth driven by increases in transaction volumes and new sales growth, as well as the positive impact of the macroeconomic environment, partially offset by incremental bad debt of $21 million.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a positive impact on our Fleet revenues and operating income in the three months ended September 30, 2022 over the comparable period in 2021 of approximately $37 million and $42 million, respectively. This impact was driven primarily by the favorable impact of fuel prices on revenue and operating income of approximately $26 million and favorable fuel price spreads of approximately $21 million, over the comparable prior period. These increases were partially offset by unfavorable changes in foreign exchange rates on revenues and operating income of approximately $10 million and $6 million, respectively, mostly in our U.K. businesses.

Corporate Payments

Corporate Payments revenues were $196.9 million in the three months ended September 30, 2022, an increase of $28.3 million, or 16.8%, from $168.7 million in the three months ended September 30, 2021. Corporate Payments operating income was $69.7 million in the three months ended September 30, 2022, an increase of $16.2 million, or 30.2%, from $53.5 million in the comparable prior period. Corporate Payments revenues and operating income increased primarily due to organic growth with strong new sales across products offerings and higher spend volume, which were partially offset by the negative impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our Corporate Payments revenues and operating income in the three months ended September 30, 2022 over the comparable prior period of approximately $8 million and $3 million, respectively, driven primarily by unfavorable foreign exchange rates.

Lodging

Lodging revenues were $126.0 million in the three months ended September 30, 2022, an increase of $40.7 million, or 47.8%, from $85.2 million in the three months ended September 30, 2021. Lodging operating income was $63.5 million in the three months ended September 30, 2022, an increase of $19.4 million, or 44.1%, from $44.0 million in the comparable prior period. Lodging revenues and operating income increased primarily due to organic growth driven in our workforce and airline verticals, as well as the impact of the ALE and Levarti acquisitions. Our workforce product has higher new sales and volumes, as our programs are viewed as more valuable as hotel costs are rising. Our airlines product also grew as travel recovery continues from the impact of COVID-19, producing increased domestic travel volumes.

Brazil

Brazil revenues were $108.6 million in the three months ended September 30, 2022, an increase of $13.7 million, or 14.4%, from $94.9 million in three months ended September 30, 2021. Brazil operating income was $44.6 million in the three months ended September 30, 2022, an increase of $4.7 million, or 11.8%, from $39.9 million in the comparable prior period. Brazil revenues and operating income increased primarily due to organic growth driven by increases in toll tags sold and expanded product utility, with the differentiated value proposition of our products. These increases were partially offset by incremental investments in sales and processing expenses over the comparable prior period.

Other

Other revenues were $66.3 million in the three months ended September 30, 2022, an increase of $2.8 million, or 4.4%, from $63.5 million in three months ended September 30, 2021. Other operating income was $18.8 million in the three months ended September 30, 2022, a decrease of $0.6 million, or 3.2%, from $19.4 million in the comparable prior period. Other revenues increased primarily due to organic growth driven by increases in transaction volumes and early retail ordering of gift cards, as retailers seek to ensure adequate card stock in advance of holiday season.

Nine months ended September 30, 2022 compared to the nine months ended September 30, 2021

The following table sets forth selected unaudited consolidated statements of income data for the nine months ended September 30, 2022 and 2021 (in millions, except percentages)*.

(Unaudited)	Nine Months Ended September 30, 2022	% of Total Revenues, net	Nine Months Ended September 30, 2021	% of Total Revenues, net	Increase (decrease)	% Change
Revenues, net:						
Fleet	$ 1,124.2	44.2 %	$ 971.3	47.8 %	$ 152.9	15.7 %
Corporate Payments	570.4	22.4 %	425.5	20.9 %	144.9	34.1 %
Lodging	337.4	13.3 %	206.5	10.2 %	130.9	63.4 %
Brazil	322.9	12.7 %	262.5	12.9 %	60.5	23.0 %
Other	188.6	7.4 %	165.8	8.2 %	22.8	13.7 %
Total revenues, net	2,543.5	100.0 %	2,031.5	100.0 %	512.0	25.2 %
Consolidated operating expenses:						
Processing	563.1	22.1 %	388.3	19.1 %	174.8	45.0 %
Selling	230.2	9.1 %	186.5	9.2 %	43.7	23.4 %
General and administrative	440.3	17.3 %	345.2	17.0 %	95.1	27.6 %
Depreciation and amortization	232.5	9.1 %	209.2	10.3 %	23.3	11.1 %
Other operating, net	0.1	— %	0.1	— %	—	NM
Operating income	1,077.4	42.4 %	902.3	44.4 %	175.1	19.4 %
Investment loss	0.5	— %	—	— %	0.5	NM
Other expense (income), net	6.2	0.2 %	(2.5)	(0.1)%	8.7	NM
Interest expense, net	90.5	3.6 %	92.3	4.5 %	(1.8)	(1.9)%
Loss on extinguishment of debt	1.9	0.1 %	6.2	0.3 %	(4.3)	NM
Provision for income taxes	249.2	9.8 %	191.8	9.4 %	57.4	29.9 %
Net income	$ 729.0	28.7 %	$ 614.5	30.2 %	$ 114.5	18.6 %
Operating income by segment:						
Fleet	$ 547.2		$ 501.4		$ 45.8	9.1 %
Corporate Payments	193.7		146.5		47.2	32.2 %
Lodging	161.8		98.8		63.0	63.8 %
Brazil	123.6		105.5		18.1	17.1 %
Other	51.0		50.0		1.0	2.0 %
Total operating income	$ 1,077.4		$ 902.3		$ 175.1	19.4 %

NM = Not Meaningful

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

Consolidated revenues, net

Consolidated revenues were $2,543.5 million, in the nine months ended September 30, 2022, an increase of $512.0 million, or 25.2%, from $2,031.5 million in the nine months ended 2021. Consolidated revenues increased primarily due to organic growth of 15% driven by increases in transaction volumes, the impact of acquisitions completed in 2021 and 2022 of approximately $117.3 million and the positive impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a positive impact on our consolidated revenues for the nine months ended September 30, 2022 over the comparable period in 2021 of approximately $76 million, driven primarily by the favorable impact of fuel prices of approximately $81 million and favorable fuel price spreads of approximately $29 million. These increases were partially offset by unfavorable foreign exchange rates of approximately $34 million, mostly in our U.K. and European businesses.

Consolidated operating income

Operating income was $1,077.4 million in the nine months ended September 30, 2022, an increase of $175.1 million, or 19.4%, from $902.3 million in the comparable prior period. The increase in operating income was primarily due to organic growth driven by increases in transaction volume, acquisitions completed in 2022 and 2021, the favorable impact of fuel prices of $81 million and the favorable fuel price spreads of approximately $29 million. The increase in operating income was partially offset by additional bad debt of approximately $70 million, stock compensation of $48 million and unfavorable movements in the foreign exchange rates of $19 million.

Consolidated operating expenses

Processing. Processing expenses were $563.1 million in the nine months ended September 30, 2022, an increase of $174.8 million, or 45.0%, from $388.3 million in the comparable prior period. Increases were primarily due to higher variable expenses driven by larger transaction volumes, incremental bad debt of approximately $70 million and approximately $37 million of expenses related to acquisitions completed in 2021 and 2022. Bad debt expense has increased as customer spend increased due to fuel prices, and as a result of new sales, which tend to have a higher loss rate.

Selling. Selling expenses were $230.2 million in the nine months ended September 30, 2022, an increase of $43.7 million, or 23.4%, from $186.5 million in the comparable prior period. Increases in selling expenses were primarily associated with higher marketing and other variable costs due to increased sales volumes in 2022 and approximately $15 million of expenses related to acquisitions completed in 2021 and 2022.

General and administrative. General and administrative expenses were $440.3 million in the nine months ended September 30, 2022, an increase of $95.1 million, or 27.6%, from $345.2 million in the comparable prior period. The increases were primarily due to increased stock based compensation expense of $48 million, the impact of acquisitions completed in 2021 and 2022 of approximately $23 million, and various other increases associated with the growth of our business over the comparable prior period.

Depreciation and amortization. Depreciation and amortization expenses were $232.5 million in the nine months ended September 30, 2022, an increase of $23.3 million, or 11.1% from $209.2 million in the comparable prior period. The increases were primarily due the impact of acquisitions completed in 2021 and 2022 of approximately $23 million.

Interest expense, net. Interest expense, net was $90.5 million in the nine months ended September 30, 2022, a decrease of $1.8 million, or 1.9%, from $92.3 million in the comparable prior period. The decrease in interest expense is primarily due to higher interest income earned on customer deposits and the benefit of higher cash balances in certain foreign jurisdictions, partially offset by rising interest rates on increased borrowings. The following table sets forth the average interest rates paid on borrowings under our Credit Facility, excluding the related unused facility fees and swaps.

	Nine Months Ended September 30,	
(Unaudited)	**2022**	**2021**
Term loan A	2.56 %	1.61 %
Term loan B	2.80 %	1.85 %
Revolving line of credit A & B	2.65 %	1.60 %
Revolving line of credit B GBP	— %	1.52 %
Foreign swing line	2.06 %	1.54 %

On January 22, 2019, we entered into three interest rate swap cash flow contracts. The objective of these interest rate swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2 billion of variable rate debt, tied to the one month LIBOR benchmark interest rate. During the nine months ended September 30, 2022, as a result of these swap contracts, we incurred additional interest expense of $14 million or 1.60% over the average LIBOR rates on $2 billion of borrowings from January 1, 2022 to January 31, 2022 and $1 billion of borrowings from January 31 through September 30, 2022. In January 2022, $1.0 billion of our interest rate swaps matured.

Provision for income taxes. The provision for income taxes and effective tax rate was $249.2 million and 25.5% in the nine months ended September 30, 2022, an increase of $57.4 million, or 29.9% change, from $191.8 million and 23.8%, respectively, in the comparable prior period. The increase in the provision for income taxes for the nine month period ending September 30, 2022 over the comparable period in 2021 was primarily due to an increase in pre-tax earnings and less excess tax benefit on stock option exercises. The increases were partially offset by the determination that certain foreign income was permanently invested during the second quarter of 2022, resulting in a $9 million tax benefit that lowered the 2022 tax rate by 1.4%.

Net income. For the reasons discussed above, our net income was $729.0 million in the nine months ended September 30, 2022, an increase of $114.5 million, or 18.6% from $614.5 million in the nine months ended 2021.

Segment Results

Fleet

Fleet revenues were $1,124.2 million in the nine months ended September 30, 2022, an increase of $152.9 million, or 15.7%, from $971.3 million in the nine months ended 2021. Fleet operating income was $547.2 million in the nine months ended September 30, 2022, an increase of $45.8 million, or 9.1%, from $501.4 million in the comparable prior period. Fleet revenues and operating income increased primarily due to organic growth driven by increases in transaction volumes and new sales growth, as well as the positive impact of the macroeconomic environment, partially offset by incremental bad debt of $50 million.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a positive impact on our Fleet revenues and operating income in the nine months ended September 30, 2022 over the comparable prior period of approximately $82 million and $92 million, respectively. This impact was driven primarily by the favorable impact of fuel prices of approximately $79 million and favorable fuel spread margins of approximately $29 million. These increases were partially offset by unfavorable changes in foreign exchange rates on revenues and operating income of $26 million and $16 million, respectively, mostly in our U.K. and European businesses.

Corporate Payments

Corporate Payments revenues were $570.4 million in the nine months ended September 30, 2022, an increase of $144.9 million, or 34.1%, from $425.5 million in the nine months ended 2021. Corporate Payments operating income was $193.7 million in the nine months ended September 30, 2022, an increase of $47.2 million, or 32.2%, from $146.5 million in the comparable prior period. Corporate Payments revenues and operating income increased primarily due to organic growth, with strong new sales across products and higher spend volume, as well as the impact of the AFEX acquisition, which were partially offset by the unfavorable impact of the macroeconomic environment.

Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our Corporate Payments revenues and operating income in the nine months ended September 30, 2022 over the comparable period in 2021 of approximately $16 million and $5 million, respectively, driven primarily by the unfavorable impact of foreign exchange rates.

Lodging

Lodging revenues were $337.4 million in the nine months ended September 30, 2022, an increase of $130.9 million, or 63.4%, from $206.5 million in the nine months ended September 30, 2021. Lodging operating income was $161.8 million in the nine months ended September 30, 2022, an increase of $63.0 million, or 63.8%, from $98.8 million in the comparable prior period. Lodging revenues and operating income increased primarily due to increases in transaction volume driving organic growth, as well as the impact of the ALE and Levarti acquisitions. Organic growth was driven by higher new sales and volumes in our workforce lodging product and continued recovery from the impact of COVID-19 of our airline product, producing increased domestic travel volumes.

Brazil

Brazil revenues were $322.9 million in the nine months ended September 30, 2022, an increase of $60.5 million, or 23.0%, from $262.5 million in nine months ended September 30, 2021. Brazil operating income was $123.6 million in the nine months ended September 30, 2022, an increase of $18.1 million, or 17.1%, from $105.5 million in the comparable prior period. Brazil revenues and operating income increased primarily due to organic growth driven by increases in toll tags sold and expanded product utility, with the differentiated value proposition of our products. Brazil revenues and operating income were also impacted by favorable changes in foreign exchange rates of approximately $13 million and $5 million, respectively, over the comparable prior period.

Other

Other revenues were $188.6 million in the nine months ended September 30, 2022, an increase of $22.8 million, or 13.7%, from $165.8 million in nine months ended September 30, 2021. Other operating income was $51.0 million in the nine months ended September 30, 2022, an increase of $1.0 million, or 2.0%, from $50.0 million in the comparable prior period. Other revenues and operating income increased primarily due to organic growth driven by increases in transaction volumes and early retail ordering of gift cards, as retailers seek to ensure adequate card stock in advance of holiday season.

Liquidity and capital resources

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

Sources of liquidity. We believe that our current level of cash and borrowing capacity under our Credit Facility and Securitization Facility (each defined below), together with expected future cash flows from operations, will be sufficient to meet the needs of our existing operations and planned requirements for the foreseeable future, based on our current assumptions. At September 30, 2022, we had approximately $1.9 billion in total liquidity, consisting of approximately $0.6 billion available under our Credit Facility (defined below) and unrestricted cash of $1.3 billion. Based on our assessment of the current capital market conditions and related impact on our access to cash, we have reclassified all cash held at our Russian businesses of $247 million to restricted cash as of September 30, 2022. Restricted cash represents primarily customer deposits in our corporate payments businesses in the U.S., cash held in our Russian businesses, as well as collateral received from customers for cross-currency transactions in our cross-border payments business, which are restricted from use other than to repay customer deposits, as well as to secure and settle cross-currency transactions.

We also utilize an accounts receivable Securitization Facility to finance a portion of our domestic receivables, to lower our cost of borrowing and more efficiently use capital. We generate and record accounts receivable when a customer makes a purchase from a merchant using one of our card solutions and generally pay merchants before collecting the receivable. As a result, we utilize the Securitization Facility as a source of liquidity to provide the cash flow required to fund merchant payments while we collect customer balances. These balances are primarily composed of charge balances, which are typically billed to the customer on a weekly, semimonthly or monthly basis, and are generally required to be paid within 14 days of billing. We also consider the undrawn amounts under our Securitization Facility and Credit Facility as funds available for working capital purposes and acquisitions. At September 30, 2022, we had no additional liquidity under our Securitization Facility.

We cannot predict how and the extent to which the conflict between Russia and Ukraine will affect our customers, supply chain, operations or business partners or the demand for our products and our global business. Depending on the actions we take or are required to take, the ongoing conflict could also result in loss of cash flows, assets or impairment charges. The extent of the impact of these tragic events on our business remains uncertain and will continue to depend on numerous evolving factors that we are not able to accurately predict, including the duration and scope of the conflict. We will continue to monitor and assess the situation as circumstances evolve and to identify actions to potentially mitigate any unfavorable impacts on our future results.

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

Cash flows

The following table summarizes our cash flows for the nine month periods ended September 30, 2022 and 2021 (in millions).

	Nine Months Ended September 30,	
(Unaudited)	**2022**	**2021**
Net cash provided by operating activities	$ 438.6	$ 599.5
Net cash used in investing activities	$ (267.7)	$ (621.8)
Net cash (used in) provided by financing activities	$ (40.1)	$ 579.2

Operating activities. Net cash provided by operating activities was $438.6 million in the nine months ended September 30, 2022, compared to $599.5 million in the comparable prior period. The decrease in operating cash flows was primarily due to unfavorable movements in working capital mostly due to the increase in fuel prices and volumes, as well as the timing of cash receipts and payments in the nine months ended September 30, 2022 over the comparable period in 2021.

Investing activities. Net cash used in investing activities was $267.7 million in the nine months ended September 30, 2022 compared to $621.8 million in the nine months ended September 30, 2021. The decreased use of cash was primarily due to smaller acquisitions completed in 2022, partially offset by an increased investment in technology in the nine months ended September 30, 2022 over the comparable period in 2021.

Financing activities. Net cash used in financing activities was $40.1 million in the nine months ended September 30, 2022, compared to net cash provided by financing activities of $579.2 million in the nine months ended September 30, 2021. The increase in net cash used by financing activities was primarily due to increased repurchases of common stock of $473 million and a decrease in net borrowings on our credit facility of $98 million in the nine months ended September 30, 2022 over the comparable period in 2021.

Capital spending summary

Our capital expenditures were $107.6 million in the nine months ended September 30, 2022, an increase of $33.2 million or 44.6%, from $74.5 million in the comparable prior period due to the impact of acquisitions and continued investments in technology.

Credit Facility

FLEETCOR Technologies Operating Company, LLC, and certain of our domestic and foreign owned subsidiaries, as designated co-borrowers (the "Borrowers"), are parties to a $6.40 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 $1.5 billion, a term loan A facility in the amount of $3.0 billion and a term loan B facility in the amount of $1.9 billion as of September 30, 2022. The revolving credit facility consists of (a) a revolving A credit facility in the amount of $1 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. On June 24, 2022, the Company entered into the twelfth amendment to the Credit Agreement, replacing the prior term loan A and revolving credit facility. The amendment increased the term loan A by $273 million and the revolving credit facility by $215 million. In addition, the amendment replaced LIBOR with Secured Overnight Financing Rate ("SOFR") plus a 10 basis point SOFR adjustment for the term loan A and revolving credit facility, improved margins and extended the maturity date. 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 September 30, 2022, the interest rate on the term loan A was 4.51%, the interest rate on the term loan B was 4.87%, the interest rate on the revolving A and B facilities was 4.48%, and the interest rate on the revolving B facility was 4.31%. The unused credit facility fee was 0.25% at September 30, 2022.

At September 30, 2022, we had $3.0 billion in borrowings outstanding on the term loan A, net of discounts, and $1.9 billion in borrowings outstanding on the term loan B, net of discounts and debt issuance costs. We have unamortized debt issuance costs of $4.8 million related to the revolving facilities as of September 30, 2022 recorded within other assets in the Unaudited Consolidated Balance Sheet. We have unamortized debt discounts and debt issuance costs of $25.2 million related to our term loans at September 30, 2022.

During the nine months ended September 30, 2022, as a result of the amendment described above, we made principal payments of $2.8 billion on the term loans and $3.7 billion on the revolving facilities.

As of September 30, 2022, we were in compliance with each of the covenants under the Credit Agreement.

Cash Flow Hedges

On January 22, 2019, we entered into three swap contracts. One contract (which matured in January 2022) had a notional value of $1.0 billion, while the two remaining contracts each have a notional value of $500 million. The objective of these swap contracts is to reduce the variability of cash flows in the previously unhedged interest payments associated with $2.0 billion of variable rate debt, the sole source of which is due to changes in the LIBOR benchmark interest rate. These swap contracts qualify as hedging instruments and have been designated as cash flow hedges. For each of these swap contracts, we pay a fixed monthly rate and receive one month LIBOR. We reclassified approximately $13.6 million of losses from accumulated other comprehensive income into interest expense during the nine months ended September 30, 2022 as a result of these hedging instruments.

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. We refer to this arrangement as the Securitization Facility. There have been several amendments to the Securitization Facility during the current year. On March 23, 2022, we entered into the tenth amendment to the Securitization Facility. The amendment increased the Securitization Facility commitment from $1.3 billion to $1.6 billion and replaced LIBOR with SOFR plus a SOFR adjustment of 0.10%. On August 18, 2022, we entered into the eleventh amendment to the Securitization Facility. The amendment increased the Securitization Facility commitment from $1.6 billion to $1.7 billion, reduced the program fee margin and extended the maturity of the Securitization Facility to August 18, 2025.

We were in compliance with the financial covenant requirements related to our Securitization Facility as of September 30, 2022.

Stock Repurchase Program

The Company's Board of Directors (the "Board") has approved a stock repurchase program (as updated from time to time, the "Program") authorizing the Company to repurchase its common stock from time to time until February 1, 2024. On January 25, 2022, the Board increased the aggregate size of the Program by $1.0 billion, to $6.1 billion. Since the beginning of the Program through September 30, 2022, 25,699,551 shares have been repurchased for an aggregate purchase price of $5.7 billion, leaving the Company up to $0.4 billion of remaining authorization available under the Program for future repurchases in shares of its common stock.

On October 25, 2022, the Board increased the aggregate size of the Program by $1.0 billion to an aggregate of $7.1 billion, with approximately $1.4 billion remaining.

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

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 September 30, 2022, 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, 2021. 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, 2021 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.

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

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

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

	Revenues, net		Key Performance Metric	
	Three Months Ended September 30,		Three Months Ended September 30,	
(Unaudited)	2022	2021	2022	2021
FUEL - TRANSACTIONS				
Pro forma and macro adjusted	$ 321.2	$ 306.9	123.8	119.1
Impact of acquisitions/dispositions	—	(0.1)	—	(1.4)
Impact of fuel prices/spread	47.2	—	—	—
Impact of foreign exchange rates	(6.6)	—	—	—
As reported	$ 361.8	$ 306.8	123.8	117.7
CORPORATE PAYMENTS - SPEND				
Pro forma and macro adjusted	$ 205.0	$ 169.0	$ 30,609	$ 25,666
Impact of acquisitions/dispositions	—	(0.3)	—	—
Impact of fuel prices/spread	0.5	—	—	—
Impact of foreign exchange rates	(8.5)	—	—	—
As reported	$ 196.9	$ 168.7	$ 30,609	$ 25,666
TOLLS - TAGS				
Pro forma and macro adjusted	$ 88.8	$ 79.0	6.2	6.0
Impact of acquisitions/dispositions	—	—	—	—
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	(0.2)	—	—	—
As reported	$ 88.6	$ 79.0	6.2	6.0
LODGING - ROOM NIGHTS				
Pro forma and macro adjusted	$ 126.6	$ 99.1	9.9	8.7
Impact of acquisitions/dispositions	—	(13.8)	—	(1.1)
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	(0.7)	—	—	—
As reported	$ 126.0	$ 85.2	9.9	7.6
GIFT - TRANSACTIONS				
Pro forma and macro adjusted	$ 53.2	$ 48.6	249.4	256.2
Impact of acquisitions/dispositions	—	—	—	—
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	(1.2)	—	—	—
As reported	$ 52.0	$ 48.6	249.4	256.2
OTHER[1]- TRANSACTIONS				
Pro forma and macro adjusted	$ 71.3	$ 67.2	10.5	8.9
Impact of acquisitions/dispositions	—	—	—	—
Impact of fuel prices/spread	—	—	—	—
Impact of foreign exchange rates	(3.6)	—	—	—
As reported	$ 67.7	$ 67.2	10.5	8.9
FLEETCOR CONSOLIDATED REVENUES, NET				
Pro forma and macro adjusted	$ 866.1	$ 769.7	Intentionally Left Blank	
Impact of acquisitions/dispositions	—	(14.2)		
Impact of fuel prices/spread[2]	47.7	—		
Impact of foreign exchange rates[2]	(20.8)	—		
As reported	$ 893.0	$ 755.5		

* Columns may not calculate due to rounding.

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

[2] Revenues reflect an estimated $26 million positive impact from fuel prices and approximately $21 million positive impact from fuel price spreads, partially offset by the negative impact of movements in foreign exchange rates of approximately $21 million.

Adjusted net income and adjusted net income per diluted share. We have defined the non-GAAP measure adjusted net income as net income as reflected in our Statement of Income, adjusted to eliminate (a) non-cash stock based compensation expense related to share based compensation awards, (b) amortization of deferred financing costs, discounts, intangible assets, and amortization of the premium recognized on the purchase of receivables, (c) integration and deal related costs, and (d) other non-recurring items, including the impact of discrete tax items, impairment charges, asset write-offs, restructuring costs, gains due to disposition of assets/businesses, loss on extinguishment of debt, and legal settlements.

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

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

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Unaudited)	**2022**	**2021**	**2022**	**2021**
Net income	$ 248,885	$ 234,007	$ 729,008	$ 614,493
Net income per diluted share	$ 3.29	$ 2.80	$ 9.38	$ 7.24
Stock-based compensation	34,180	16,453	100,828	52,085
Amortization[1]	55,748	56,381	171,372	158,482
Integration and deal related costs	4,861	6,638	14,071	18,132
Legal settlements/litigation	2,783	561	4,685	5,619
Restructuring and related costs	507	(568)	1,270	(1,931)
Loss on extinguishment of debt	—	—	1,934	6,230
Total pre-tax adjustments	98,079	79,465	294,160	238,617
Income taxes[2]	(26,262)	(19,114)	(86,667)	(48,193)
Adjusted net income	$ 320,702	$ 294,358	$ 936,501	$ 804,917
Adjusted net income per diluted share	$ 4.24	$ 3.52	$ 12.06	$ 9.48
Diluted shares	75,558	83,716	77,687	84,917

[1] Includes amortization related to intangible assets, premium on receivables, deferred financing costs and debt discounts.
[2] Includes $9 million adjustment for tax benefit of certain income determined to be permanently invested in Q2 2022.
*Columns may not calculate due to rounding.

Special Cautionary Notice Regarding Forward-Looking Statements

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

These forward-looking statements are not a guarantee of performance, and you should not place undue reliance on such statements. We have based these forward-looking statements largely on our current expectations and projections about future events. Forward-looking statements are subject to many uncertainties and other variable circumstances, including those discussed in "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission on March 1, 2022, many of which are outside of our control, that could cause our actual results and experience to differ materially from any forward-looking statement.

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

- regulatory measures, voluntary actions, or changes in consumer preferences, that impact our transaction volume, including social distancing, shelter-in-place, shutdowns of nonessential businesses and similar measures imposed or undertaken in an effort to contain and mitigate the spread of the coronavirus (COVID-19) or new outbreaks thereof, including in China, including the potential impact of vaccination mandates in certain jurisdictions;
- 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 conflict between Russia and Ukraine on our business and operations;
- our ability to successfully execute our strategic plan, manage our growth and achieve our performance targets;
- our ability to attract new and retain existing partners, fuel merchants, and lodging providers, their promotion and support of our 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 relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering (AML) and anti-terrorism financing laws;
- changes in our senior management team and our ability to attract, motivate and retain qualified personnel consistent with our strategic plan;
- tax legislation initiatives or challenges to our tax positions and/or interpretations, and state sales tax rules and regulations;
- the risks of mergers, acquisitions and divestitures, including, without limitation, the related time and costs of implementing such transactions, integrating operations as part of these transactions and possible failures to achieve expected gains, revenue growth and/or expense savings from such transactions; and

- the other factors and information in our Annual Report on Form 10-K and other filings that we make with the 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, 2021 filed with the Securities and Exchange Commission on March 1, 2022.

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this report are made only as of the date hereof. We do not undertake, and specifically disclaim, any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

You may get FLEETCOR's SEC filings for free by visiting the SEC web site at www.sec.gov.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of September 30, 2022, 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, 2021.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2022, management carried out, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2022, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and are designed to ensure that information required to be disclosed in those reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2022, 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 Federal Derivative Action alleges that the defendants issued a false and misleading proxy statement in violation of the federal securities laws; that defendants breached their fiduciary duties by causing or permitting the Company to make allegedly false and misleading public statements concerning the Company’s fee charges and financial and business prospects; and that certain defendants breached their fiduciary duties through allegedly improper sales of stock. The complaint seeks unspecified monetary damages from the Company, corporate governance reforms, disgorgement of profits, benefits, and compensation by the defendants, restitution, costs, and attorneys’ and experts’ fees. On September 20, 2018, the court entered an order deferring the Federal Derivative Action pending a ruling on motions for summary judgment in the then-pending shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed to by the parties. After preliminary approval of the proposed settlement of the shareholder class action was granted, the stay on the Federal Derivative Action was lifted. Plaintiffs amended their complaint on February 22, 2020. FLEETCOR filed a motion to dismiss the amended complaint in the Federal Derivative Action on April 17, 2020, which the Court granted without leave to amend on October 21, 2020. Plaintiffs filed a notice of appeal to the United States Court of Appeals for the Eleventh Circuit on November 18, 2020. The Eleventh Circuit affirmed the district court’s ruling dismissing the case in an order issued on July 27, 2022.

On January 9, 2019, a similar shareholder derivative complaint was filed in the Superior Court of Gwinnett County, Georgia ("State Derivative Action"), which was stayed pending a ruling on motions for summary judgment in the shareholder class action, notice a settlement has been reached in the shareholder class action, or until otherwise agreed by the parties. On October 31, 2022, the Court granted the Company’s motion to dismiss the State Derivative Action after the Eleventh Circuit affirmed the dismissal of the Federal Derivative Action.

FTC Investigation

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

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

Item 1A. Risk Factors

The information presented below supplements the risk factors set forth in our annual report on Form 10-K for the year ended December 31, 2021. 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, 2021 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, 2021, except as follows:

Risks Associated with the Conflict between Russia and Ukraine

The current conflict between Russia and Ukraine is creating substantial uncertainty about the role Russia will play in the global economy in the future. Although the extent, duration, severity and outcome of the ongoing military conflict between Russia and Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions. The escalation or continuation of this conflict presents heightened risks and has resulted and could continue to result in volatile commodity markets, supply chain disruptions, increased risk of cyber incidents or other disruptions to information systems, heightened risks to employee safety, significant volatility of the Russian ruble, limitations on access to credit markets, increased operating costs (including fuel and other input costs), the frequency and volume of failures to settle securities transactions, inflation, potential for increased volatility in commodity, currency and other financial markets, safety risks, and restrictions on the transfer of funds to and from Russia. We cannot predict how and the extent to which the conflict will affect our customers, operations or business partners or the demand for our products and our global business. Depending on the actions we take or are required to take, the ongoing conflict could also result in loss of assets or impairment charges. Additionally, we may also face negative publicity and reputational risk based on the actions we take or are required to take as a result of the conflict, which could damage our brand image or corporate reputation. The extent of the impact of these tragic events on our business remains uncertain and will continue to depend on numerous evolving factors that we are not able to accurately predict, including the duration and scope of the conflict. We will continue to monitor and assess the situation as circumstances evolve and to identify actions to potentially mitigate any unfavorable impacts on our future results.

In response to the Russian invasion of Ukraine, the United States, the European Union, the United Kingdom and other governments have imposed sanctions and other restrictive measures. Such sanctions, and other measures, as well as countersanctions or other responses from Russia or other countries have adversely affected, and will adversely affect, the global economy and financial markets and could adversely affect our business, financial condition and results of operations or otherwise aggravate the other risk factors that we identify herein or previously identified in our Annual Report on Form 10-K for the year ended December 31, 2021. We cannot predict the scope of future developments in sanctions, punitive actions or macroeconomic factors arising from the conflict. These measures are complex and still evolving. Our efforts to comply with such measures may be costly and time consuming and will divert the attention of management. Any alleged or actual failure to comply with these measures may subject us to government scrutiny, civil or criminal proceedings, sanctions, and other liabilities, which may have a material and adverse effect on our operations, financial condition, and results of operations. In light of all of these events, we have developed and are continuing to refine our business continuity plan and crisis response materials to mitigate the impact of disruptions to our business, but it is unclear if our plan will successfully mitigate all potential disruptions. If our business continuity plan fails to mitigate some or all disruptions, it could have a material and adverse effect on our business, financial condition, and results of operations.

Our business in Russia accounted for approximately 2.8% and 4.9% of our consolidated net revenues and net income for the year ended December 31, 2021, respectively, and accounted for approximately 3.1% and 6.1% of our consolidated net revenues and net income for the nine months ended September 30, 2022, respectively. Our assets in Russia were approximately 2.4% of our consolidated assets at December 31, 2021 and approximately 3.1% of our consolidated assets at September 30, 2022. The net book value of our assets in Russia at September 30, 2022 was approximately $255 million, of which $247 million is restricted cash. As described in Note 3 to our condensed consolidated financial statements, we currently have not recognized any impairment charges related to the assets of our Russian business. However, the extent, severity, duration and outcome of the conflict between Russia and Ukraine and related sanctions could potentially impact the value of our assets in Russia as the conflict continues. Our Russian business is part of our Fleet segment.

We may not be able to adequately protect our systems or the data we collect from continually evolving cybersecurity risks or other technological risks, which could subject us to liability and damage our reputation.

We electronically receive, process, store and transmit data and sensitive information about our customers and merchants, including bank account information, social security numbers, expense data, and credit card, debit card and checking account numbers. We endeavor to keep this information confidential; however, our websites, networks, information systems, services and technologies may be targeted for sabotage, disruption or misappropriation. The uninterrupted operation of our information systems and our ability to maintain the confidentiality of the customer and consumer information that resides on our systems are critical to the successful operation of our business. Unauthorized access to our networks and computer systems could result in the theft or publication of confidential information or the deletion or modification of records or could otherwise cause interruptions in our service and operations.

Other than a previously disclosed unauthorized access incident during the second quarter of 2018, we are not aware of any material breach of our or our associated third parties' computer systems, although we and others in our industry are regularly the subject of attempts by bad actors to gain unauthorized access to these computer systems and data or to obtain, change or destroy confidential data (including personal consumer information of individuals) through a variety of means.

Because techniques used to sabotage or obtain unauthorized access to our systems and the data we collect change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Threats to our systems and our associated third parties' systems can derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. Computer viruses can be distributed and could infiltrate our systems or those of our associated third parties. In addition, denial of service or other attacks could be launched against us for a variety of purposes, including to interfere with our services or create a diversion for other malicious activities. Although we believe we have sufficient controls in place to prevent disruption and misappropriation and to respond to such attacks, any inability to prevent security breaches could have a negative impact on our reputation, expose us to liability, decrease market acceptance of electronic transactions and cause our present and potential clients to choose another service provider.

In addition, the risk of cyber-attacks has increased in connection with the military conflict between Russia and Ukraine and the resulting geopolitical conflict. In light of those and other geopolitical events, nation-state actors or their supporters may launch retaliatory cyber-attacks, and may attempt to cause supply chain and other third-party service provider disruptions, or take other geopolitically motivated retaliatory actions that may disrupt our business operations, result in data compromise, or both. Nation-state actors have in the past carried out, and may in the future carry out, cyber-attacks to achieve their aims and goals, which may include espionage, information operations, monetary gain, ransomware, disruption, and destruction. In February 2022, the U.S. Cybersecurity and Infrastructure Security Agency issued a warning for American organizations noting the potential for Russia's cyber-attacks on Ukrainian government and critical infrastructure organizations to impact organizations both within and beyond the United States, particularly in the wake of sanctions imposed by the United States and its allies. These circumstances increase the likelihood of cyber-attacks and/or security breaches.

We could also be subject to liability for claims relating to misuse of personal information, such as unauthorized marketing purposes and violation of data privacy laws. For example, we are subject to a variety of U.S. and international statutes, regulations, and rulings relevant to the direct email marketing and text-messaging industries. While we believe we are in compliance with the relevant laws and regulations, if we were ever found to be in violation, our business, financial condition, operating results and cash flows could be materially adversely affected. We cannot provide assurance that the contractual requirements related to security and privacy that we impose on our service providers who have access to customer and consumer data will be followed or will be adequate to prevent the unauthorized use or disclosure of data. In addition, we have agreed in certain agreements to take certain protective measures to ensure the confidentiality of customer data. The costs of systems and procedures associated with such protective measures, as well as the cost of deploying additional personnel, training our employees and hiring outside experts, may increase and could adversely affect our ability to compete effectively. Any failure to adequately enforce or provide these protective measures could result in liability, protracted and costly litigation, governmental and card network intervention and fines, remediation costs, and with respect to misuse of personal information of our customers, lost revenue and reputational harm. While we maintain insurance covering certain security and privacy damages and claim expenses we may not carry insurance or maintain coverage sufficient to compensate for all liability and such insurance may not be available for renewal on acceptable terms or at all, and in any event, insurance coverage would not address the reputational damage that could result from a security incident.

In addition, under payment network rules, regulatory requirements, and related obligations, we may be responsible for the acts or failures to act of certain third parties, such as third-party service providers, vendors, partners and others, which we refer to collectively as associated participants. The failure of our associated participants to safeguard cardholder data and other information in accordance with such rules, requirements and obligations could result in significant fines and sanctions and could harm our reputation and deter existing and prospective customers from using our services. We cannot assure you that there are written agreements in place with every associated participant or that such written agreements will ensure the adequate safeguarding of such data or information or allow us to seek reimbursement from associated participants. Any such unauthorized use or disclosure of data or information also could result in litigation that could result in a material adverse effect on our business, financial condition and results of operations.

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

The Company's Board of Directors (the "Board") has approved a stock repurchase program (as updated from time to time, the "Program") authorizing the Company to repurchase its common stock from time to time until February 1, 2024. On January 25, 2022, the Board increased the aggregate size of the Program by $1.0 billion, to $6.1 billion. Since the beginning of the Program through September 30, 2022, 25,699,551 shares have been repurchased for an aggregate purchase price of $5.7 billion, leaving the Company up to $0.4 billion of remaining authorization available under the Program for future repurchases in shares of its common stock.

On October 25, 2022, the Board increased the aggregate size of the Program by $1.0 billion to an aggregate of $7.1 billion, with approximately $1.4 billion remaining.

The following table presents information as of September 30, 2022, with respect to purchases of common stock of the Company made during the three months ended September 30, 2022 by the Company as defined in Rule 10b-18(a)(3) under the Exchange Act.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plan	Maximum Value that May Yet be Purchased Under the Publicly Announced Plan (in thousands)
July 1, 2022 through July 31, 2022	931,260	$ 215.10	24,398,365	$ 655,295
August 1, 2022 through August 31, 2022	1,301,144	$ 230.58	25,699,509	$ 355,278
September 1, 2022 through September 30, 2022	42	$ 212.53	25,699,551	$ 355,269

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit No.	
3.1	Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the registrant’s Annual Report on Form 10-K, File No. 001-35004, filed with SEC on March 25, 2011)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, File No. 001-35004, file with the SEC on June 8, 2018)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, File No. 001-35004, filed with the SEC on June 14, 2019)
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of FLEETCOR Technologies, Inc. filed with the Secretary of State of Delaware on June 9, 2022.(incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K, File No. 001-35004, filed with the SEC on June 14, 2022)
3.5	FleetCor Technologies, Inc. Amended and Restated Bylaws, adopted June 9, 2022 (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 June 14, 2022)
10.1	Tenth Amendment to the Fifth Amended and Restated Receivables Purchase Agreement, dated March 23, 2022 by and among by and among FleetCor Funding LLC, FleetCor Technologies Operating Company, LLC, PNC Bank, National Association as administrator for a group of purchasers and purchaser agents, and certain other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-35004, filed with the SEC on May 9, 2022)
10.2	Twelfth Amendment to the Credit Agreement, dated as of June 24, 2022 among FLEETCOR Technologies Operating Company, LLC, as the Company, FLEETCOR Technologies, 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 10.2 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-35004, filed with the SEC on August 9, 2022)
10.3	Offer letter, dated May 23, 2022, between FLEETCOR Technologies, Inc. and Alan King (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-35004, filed with the SEC on August 9, 2022)
10.4*	Eleventh Amendment to the Fifth Amended and Restated Receivables Purchase Agreement, dated August 18, 2022 by and among by and among FleetCor Funding LLC, FleetCor Technologies Operating Company, LLC, PNC Bank, National Association as administrator for a group of purchasers and purchaser agents, and certain other parties thereto
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and rule 15d-14(a) of the Securities Exchange Act, as amended
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and rule 15d-14(a) of the Securities Exchange Act, as amended
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2001
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2001
101*	The following financial information for the Registrant formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Unaudited Consolidated Statements of Income, (iii) the Unaudited Consolidated Statements of Comprehensive Income; (iv) the Unaudited Consolidated Statements of Cash Flows and (v) the Notes to Unaudited Consolidated Financial Statements
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed Herein

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized, in their capacities indicated on November 7, 2022.

FLEETCOR Technologies, Inc.
(Registrant)

Signature	Title
/s/ Ronald F. Clarke Ronald F. Clarke	President, Chief Executive Officer and Chairman of the Board of Directors (Duly Authorized Officer and Principal Executive Officer)
/s/ Alissa B. Vickery Alissa B. Vickery	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

ELEVENTH AMENDMENT TO FIFTH AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

This ELEVENTH AMENDMENT TO FIFTH AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT (this "Amendment"), dated as of August 18, 2022, is entered into by and among the following parties:

(i) FLEETCOR FUNDING LLC, as Seller (the "Seller");

(ii) FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC, as Servicer (the "Servicer");

(iii) PNC BANK, NATIONAL ASSOCIATION ("PNC"), as a Committed Purchaser, as the sole Swingline Purchaser and as the Purchaser Agent for its Purchaser Group;

(iv) WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells"), as a Committed Purchaser and as the Purchaser Agent for its Purchaser Group;

(v) REGIONS BANK ("Regions"), as a Committed Purchaser and as the Purchaser Agent for its Purchaser Group;

(vi) MUFG BANK, LTD. ("MUFG"), as a Committed Purchaser and as the Purchaser Agent for its and Victory's Purchaser Group;

(vii) VICTORY RECEIVABLES CORPORATION ("Victory"), as a Conduit Purchaser for MUFG's Purchaser Group;

(viii) MIZUHO BANK, LTD. ("Mizuho"), as a Committed Purchaser and as the Purchaser Agent for its Purchaser Group;

(ix) THE TORONTO-DOMINION BANK ("TD Bank"), as a Committed Purchaser and as the Purchaser Agent for its, GTA Funding's and Reliant Trust's Purchaser Group;

(x) RELIANT TRUST ("Reliant Trust"), as a Conduit Purchaser for TD Bank's Purchaser Group;

(xi) GTA FUNDING LLC ("GTA Funding"), as a Conduit Purchaser for TD Bank's Purchaser Group;

(xii) THE BANK OF NOVA SCOTIA ("Scotia"), as a Committed Purchaser and as the Purchaser Agent for its and Liberty Street's Purchaser Group;

(xiii) LIBERTY STREET FUNDING LLC, as a Conduit Purchaser for Scotia's Purchaser Group; and

(xiv) PNC BANK, NATIONAL ASSOCIATION, as Administrator
(in such capacity, the "Administrator").

BACKGROUND

A. The parties hereto (with the exception of GTA Funding) are parties to that certain Fifth Amended and Restated Receivables Purchase Agreement dated as of November 14, 2014 (as amended, restated, supplemented or otherwise modified through the date hereof, the

"Receivables Purchase Agreement"). Capitalized terms used and not otherwise defined herein have the respective meaning assigned to such terms in the Receivables Purchase Agreement.

B. Concurrently herewith, the parties hereto are entering into that certain Amended and Restated Fee Letter in connection herewith (the "Amended Fee Letter").

C. The parties hereto desire to amend the Receivables Purchase Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows.

SECTION 1. Joinder and Rebalancing.

(a) Joinder. Effective as of the date hereof, (i) GTA Funding hereby becomes a party to the Receivables Purchase Agreement as a Conduit Purchaser thereunder with all the rights, interests, duties and obligations of a Conduit Purchaser thereunder and (ii) TD Bank, as a Committed Purchaser, Reliant Trust, as a related Conduit Purchaser and GTA Funding as a related Conduit Purchaser, shall constitute the members of a new Purchaser Group, and TD Bank, Reliant Trust and GTA Funding hereby appoint TD Bank as the Purchaser Agent for such Purchaser Group.

(b) Rebalancing of Capital. On the date hereof, the Seller will repay a portion of the outstanding Capital in the amounts specified in the flow of funds memorandum attached hereto as Exhibit A to the Administrator to be distributed to Wells Fargo and MUFG (collectively, the "Reducing Purchasers"); provided that all accrued and unpaid Discount with respect to such Capital so repaid shall be payable by the Seller to the Administrator to be distributed to each Reducing Purchaser, as applicable, on the next occurring Weekly Settlement Date. The Seller hereby requests that PNC, TD Bank and Scotia (collectively, the "Increasing Purchasers") fund a Purchase on the date hereof in an amount set forth in Exhibit A hereto. Such Purchase shall be funded by the Increasing Purchasers on the date hereof in accordance with the terms of the Receivables Purchase Agreement and upon satisfaction of all conditions precedent thereto specified in the Receivables Purchase Agreement; provided, however, that no Purchase Notice shall be required therefor. For administrative convenience, the Seller hereby instructs the Increasing Purchasers to fund the foregoing Purchase by paying the proceeds thereof directly to the Administrator, to be distributed to the Reducing Purchasers, into the accounts and in the amounts specified in Exhibit A hereto to be applied as the foregoing repayment of each Reducing Purchaser's Capital (as applicable) on the Seller's behalf. The Seller shall be deemed to have received the proceeds of such Purchase from the Increasing Purchasers for all purposes immediately upon receipt thereof by each Reducing Purchaser, respectively.

(c) Consents. The parties hereto hereby consent to the joinder of GTA Funding as a party to the Receivables Purchase Agreement on the terms set forth in clause (a) above, to the non-ratable repayment of the Reducing Purchasers' Capital on terms set forth in clause (b) above and the foregoing non-ratable Purchase to be funded by the Increasing Purchasers on the terms set forth in clause (b) above, in each case, as set forth above on a one-time basis.

(d) Credit Decision. GTA Funding (i) confirms to the Administrator that it has received a copy of the Receivables Purchase Agreement, the other Transaction Documents, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and (ii) agrees that it will, independently and without reliance upon the Administrator (in any capacity) or any of its Affiliates, based on such documents and information as each Additional Purchaser shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Receivables Purchase Agreement and any other Transaction Document. The Administrator makes no representation or warranty and assumes no responsibility with respect to (x) any statements, warranties or representations made in or in connection with the Receivables Purchase Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Receivables Purchase Agreement or the Receivables, any other Transaction Document or any other instrument or document furnished pursuant thereto or (y) the financial condition of any of the Seller, the Servicer, the parties to the Performance Guaranty or the Originators or the performance or observance by any of the Seller, the Servicer, the parties to the Performance Guaranty or the Originators of any of their respective obligations under the Receivables Purchase Agreement, any other Transaction Document, or any instrument or document furnished pursuant thereto.

SECTION 2. Amendments to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended to incorporate the changes shown on the marked pages of the Receivables Purchase Agreement attached hereto as Exhibit B.

SECTION 1. Representations and Warranties of the Seller and Servicer. Each of the Seller and the Servicer hereby represents and warrants, as to itself, to each of the Administrator, each Purchaser and each Purchaser Agent as follows as of the date hereof:

(a) the representations and warranties made by it in the Transaction Documents are true and correct as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations or warranties were true and correct as of such earlier date);

(b) no event has occurred and is continuing, or would result from the transactions contemplated hereby, that constitutes a Termination Event or an Unmatured Termination Event, and the Facility Termination Date has not occurred;

(c) the execution and delivery by such Person of this Amendment, and the performance of each of its obligations under this Amendment, the Amended Fee Letter and the Receivables Purchase Agreement, as amended hereby, are within each of its corporate powers and have been duly authorized by all necessary corporate action on its part; and

(d) this Amendment, the Amended Fee Letter and the Receivables Purchase Agreement, as amended hereby, are such Person's valid and legally binding obligations, enforceable in accordance with its terms.

SECTION 1. Effect of Amendment. All provisions of the Receivables Purchase Agreement, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Receivables Purchase Agreement (or in any other Transaction Document) to "this Receivables Purchase Agreement", "this Agreement", "hereof", "herein" or words of similar effect referring to the Receivables Purchase Agreement shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Receivables Purchase Agreement other than as set forth herein.

SECTION 2. Effectiveness. This Amendment shall be effective as of the date hereof and upon satisfaction of the following conditions precedent:

(e) the Administrator's receipt of counterparts of this Amendment, duly executed by each of the parties hereto;

(f) the Administrator's receipt of counterparts of the Amended Fee Letter, duly executed by each of the parties thereto;

(g) the Administrator's receipt of evidence of payment of the Upfront Fee (as defined in the Amended Fee Letter) to each of the Purchaser Agents;

(h) the Administrator's receipt of an opinion of counsel for the Seller and Servicer, addressed to each Purchaser, as to due authorization, enforceability, no-conflicts with applicable law and other material agreements and other customary matters, in form and substance satisfactory to the Administrator; and

(i) the Administrator's receipt of such other agreements, documents, opinions, and instruments as the Administrator shall request.

SECTION 2. Miscellaneous. This Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 3. Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

SECTION 4. Severability. If any one or more of the agreements, provisions or terms of this Amendment shall for any reason whatsoever be held invalid or unenforceable, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions and terms of this Amendment and shall in no way affect the validity or enforceability of the provisions of this Amendment or the Receivables Purchase Agreement.

SECTION 5. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Receivables Purchase Agreement or any provision hereof or thereof.

[Signatures begin on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

FLEETCOR FUNDING LLC, as Seller

By: /s/ Ty Miller
Name: Ty Miller
Title: Treasurer

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC, as Servicer

By: /s/ Ty Miller
Name: Ty Miller
Title: Treasurer

PNC BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser and as Purchaser Agent for its Purchaser Group

By: /s/ Imad Naja
Name: Imad Naja
Title: Senior Vice President

PNC CAPITAL MARKETS LLC,

By: /s/ Imad Naja
Name: Imad Naja
Title: Managing Director

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
as a Committed Purchaser and as Purchaser Agent for its Purchaser Group

By: /s/ Jonathan Davis
Name: Jonathan Davis
Title: Vice President

REGIONS BANK, as a Committed Purchaser and as Purchaser Agent for its Purchaser Group

By: /s/ Kathy L. Myers
Name: Kathy L. Myers
Title: Managing Director

MUFG BANK, LTD., as a Committed Purchaser

By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

VICTORY RECEIVABLES CORPORATION,
as a Conduit Purchaser for MUFG Bank, Ltd.'s Purchaser Group

By: /s/ Kevin J. Corrigan
Name: Kevin J. Corrigan
Title: Vice President

MUFG BANK, LTD., as Purchaser Agent for its and Victory Receivables Corporation's Purchaser Group

By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

MIZUHO BANK, LTD., as a Committed Purchaser and as Purchaser Agent for its Purchaser Group

By: /s/ Richard A. Burke
Name: Richard A. Burke
Title: Managing Director

THE TORONTO-DOMINION BANK, as a Committed Purchaser

By: /s/ Luna Mills
Name: Luna Mills
Title: Managing Director

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as trustee of **RELIANT TRUST**, by its U.S. Financial Services Agent, **THE TORONTO-DOMINION BANK**, as a Conduit Purchaser for The Toronto-Dominion Bank's Purchaser Group

By: /s/ Luna Mills
Name: Luna Mills
Title: Managing Director

GTA FUNDING LLC,
as a Conduit Purchaser for The Toronto-Dominion Bank's Purchaser Group

By: /s/ Kevin J. Corrigan
Name: Kevin J. Corrigan
Title: Vice President

THE TORONTO-DOMINION BANK, as Purchaser Agent for its, GTA Funding's and Reliant Trust's Purchaser Group

By: /s/ Luna Mills
Name: Luna Mills
Title: Managing Director

THE BANK OF NOVA SCOTIA, as a Committed Purchaser

By: /s/ Brad Shields
Name: Brad Shields
Title: Director

LIBERTY STREET FUNDING LLC, as a Conduit Purchaser for The Bank of Nova Scotia's Purchaser Group

By: /s/ Kevin J. Corrigan
Name: Kevin J. Corrigan
Title: Vice President

THE BANK OF NOVA SCOTIA, as Purchaser Agent for its and Liberty Street Funding LLC's Purchaser Group

By: /s/ Brad Shields
Name: Brad Shields
Title: Director

PNC BANK, NATIONAL ASSOCIATION,
as Administrator

By: /s/ Imad Naja
Name: Imad Naja
Title: Senior Vice President

EXHIBIT A

FLOW OF FUNDS MEMORANDUM

[See Attached]

EXHIBIT B

AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT

[See Attached]

Exhibit 31.1

CERTIFICATIONS

I, Ronald F. Clarke, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ronald F. Clarke

Ronald F. Clarke
Chief Executive Officer

November 7, 2022

Exhibit 31.2

CERTIFICATIONS

I, Alissa B. Vickery, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Alissa B. Vickery

Alissa B. Vickery
Chief Financial Officer

November 7, 2022

Exhibit 32.1

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

In connection with the Quarterly Report of FLEETCOR Technologies, Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended September 30, 2022, as filed with the Securities and Exchange Commission (the “Report”), Ronald F. Clarke, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

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

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

/s/ Ronald F. Clarke

Ronald F. Clarke
Chief Executive Officer

November 7, 2022

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

Exhibit 32.2

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

In connection with the Quarterly Report of FLEETCOR Technologies, Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended September 30, 2022, as filed with the Securities and Exchange Commission (the “Report”), Alissa B. Vickery, 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/ Alissa B. Vickery

Alissa B. Vickery
Chief Financial Officer

November 7, 2022

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