

FLEETCOR TECHNOLOGIES INC
Form 10-K
February 29, 2016
Table of Contents

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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2015

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.

DELAWARE
(STATE OF INCORPORATION)

72-1074903
(I.R.S. ID)

5445 Triangle Parkway, Suite 400, Norcross, Georgia 30092-2575

(770) 449-0479

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

COMMON STOCK, \$0.001 PAR VALUE PER SHARE

NEW YORK STOCK EXCHANGE

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

NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$13,498,625,921 as of June 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing sale price as reported on the New York Stock Exchange.

As of February 15, 2016, there were 92,616,940 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be delivered to shareholders in connection with the Annual Meeting of Shareholders to be held on June 8, 2016 are incorporated by reference into Part III of this report.

Table of Contents

FLEETCOR TECHNOLOGIES, INC.

FORM 10-K

For The Year Ended December 31, 2015

INDEX

	Page
PART I	
Item 1. <u>Business</u>	4
Item X. <u>Executive Officers of the Registrant</u>	20
Item 1A. <u>Risk Factors</u>	22
Item 1B. <u>Unresolved Staff Comments</u>	40
Item 2. <u>Properties</u>	41
Item 3. <u>Legal Proceedings</u>	42
Item 4. <u>Mine Safety Disclosures</u>	42
PART II	
Item 5. <u>Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</u>	43
Item 6. <u>Selected Financial Data</u>	45
Item 7. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	47
Item 7A. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	80
Item 8. <u>Financial Statements and Supplementary Data</u>	82
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	120
Item 9A. <u>Controls and Procedures</u>	120
Item 9B. <u>Other Information</u>	121
PART III	
Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	121
Item 11. <u>Executive Compensation</u>	121
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	121
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	121
Item 14. <u>Principal Accountant Fees and Services</u>	121
PART IV	
Item 15. <u>Exhibits and Financial Statement Schedules</u>	122
<u>Signatures</u>	127

Table of Contents

Note About Forward-Looking Statements

This report 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, 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 this report in Item 1A, Risk factors, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, many of which are outside of our control, that could cause our actual results and experience to differ materially from any forward-looking statement. 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.

Table of Contents

PART I

ITEM 1. BUSINESS

General

FleetCor is a leading independent global provider of fuel cards, commercial payment and data solutions, lodging and transportation management services, stored value solutions, and workforce payment products and services to businesses, retailers, commercial fleets, major oil companies, petroleum marketers and government entities in countries throughout North America, Latin America, Europe, Australia and New Zealand. Our payment programs enable our customers to better manage and control their commercial payments, card programs, and employee spending and provide card-accepting merchants with a high volume customer base that can increase their sales and customer loyalty. We also provide a suite of fleet related and workforce payment solution products, including mobile telematics services, fleet maintenance management and employee benefit and transportation related payments. In 2015, we processed approximately 1.9 billion transactions on our proprietary networks and third-party networks (which includes approximately 1.3 billion transactions related to our SVS product, acquired with Comdata, Inc. (Comdata)). We believe that our size and scale, geographic reach, advanced technology and our expansive suite of products, services, brands and proprietary networks contribute to our leading industry position.

We provide our payment products and services in a variety of combinations to create customized payment solutions for our customers and partners. In order to deliver our payment programs and services and process transactions, we own and operate proprietary closed-loop networks through which we electronically connect to merchants and capture, analyze and report customized information. We also use third-party networks to deliver our payment programs and services in order to broaden our card acceptance and use. To support our payment products, we also provide a range of services, such as issuing and processing, as well as specialized information services that provide our customers with value-added functionality and data. Our customers can use this data to track important business productivity metrics, combat fraud and employee misuse, streamline expense administration and lower overall workforce and fleet operating costs.

We market our fleet payment products directly to a broad range of commercial fleet customers, oil companies, petroleum marketers and government entities. Among these customers, we provide our products and services to commercial fleets of all sizes. These fleets include small and medium commercial fleets, which we believe represent an attractive segment of the global commercial fleet market given their relatively high use of less efficient payment products, such as cash and general purpose credit cards. We also manage commercial fleet card programs for major oil companies, such as British Petroleum (BP) (including its subsidiary Arco), Chevron and Shell, and over 900 petroleum marketers.

We distribute our commercial payment solutions through direct and indirect channels to businesses of all sizes and types across a broad number of industry verticals, including retail, healthcare, construction and hospitality. Our indirect channel includes a broad range of value-added resellers (VARs) and other referral partners.

We refer to these major oil companies, leasing companies, petroleum marketers, VARs and other referral partners with whom we have strategic relationships as our partners. These partners collectively maintain hundreds of thousands of end-customer relationships with commercial fleets, commercial payment solutions customers and other businesses.

FleetCor's predecessor company was organized in the United States in 1986.

Our products and services

We collectively refer to our suite of product offerings as workforce productivity enhancement products for commercial businesses. We sell a range of customized fleet and lodging payment programs directly and indirectly to our customers through partners, such as major oil companies, leasing companies and petroleum

Table of Contents

marketers. We provide our customers with various card products that typically function like a charge card to purchase fuel, lodging, food, toll, transportation and related products and services at participating locations. We support these cards with specialized issuing, processing and information services that enable us to manage card accounts, facilitate the routing, authorization, clearing and settlement of transactions, and provide value-added functionality and data, including customizable card-level controls and productivity analysis tools. Depending on our customers and partners needs, we provide these services in a variety of outsourced solutions ranging from a comprehensive end-to-end solution (encompassing issuing, processing and network services) to limited back office processing services.

Our broad suite of commercial payment solutions with vertical-specific applications enable our corporate customers to manage and control electronic payments across their enterprise, optimize corporate spending and offer innovative services that increase employee efficiency and customer loyalty. Our commercial payment solutions offer integrated components that create a powerful combination of robust payment functionality, deep business insights and comprehensive technical capabilities and support services.

In addition, we offer a telematics solution that combines global positioning, satellite tracking and other wireless technology to allow fleet operators to monitor the capacity utilization and movement of their vehicles and drivers. We also provide a vehicle maintenance service offering that helps fleet customers to better manage their vehicle maintenance, service, and repair needs in the U.K. In Mexico, we offer primarily prepaid fuel and food vouchers and cards that may be used as a form of payment in restaurants, grocery stores and gas stations. We market these payment products to small, medium and large businesses, which provide these cards and vouchers to their employees as benefits, as well as a tool to manage fuel expenses. We offer a similar workforce payment product in Brazil related to public transportation and toll vouchers. Additionally in Brazil, we have designed proprietary equipment which, when installed at the fueling site and on the vehicle and combined with our processing system, significantly reduces the likelihood of unauthorized and fraudulent transactions. We offer this product to over-the-road trucking fleets, shipping fleets and other operators of heavily industrialized equipment, including sea-going vessels, mining equipment, agricultural equipment, and locomotives. Other than our fuel card products and services, no other products or services accounted for 10% or more of consolidated revenues in any of the last three fiscal years.

Networks

In order to deliver our payment programs and services, we own and operate proprietary closed-loop networks in North America and internationally. We also utilize the networks of our major oil and petroleum marketer partners in certain markets. Our networks have well-established brands in local markets and proprietary technology that enable us to capture, transact, analyze and report value-added information pertinent to managing and controlling employee spending. Examples of our networks include:

North America proprietary closed-loop networks

Fuelman network our primary proprietary fleet card network in the United States. We have negotiated card acceptance and settlement terms with over 11,000 individual merchants, providing the Fuelman network with approximately 56,000 fueling sites and over 29,000 maintenance sites across the country.

Comdata Network our network of truck stops and fuel merchants for the over-the-road trucking industry. We have negotiated card acceptance and settlement terms at over 6,900 truck stops and fuel merchants across the United States and Canada.

Corporate Lodging Consultants network (CLC) our proprietary lodging network in the United States and Canada. The CLC Lodging network includes approximately 17,400 hotels.

Commercial Fueling Network (CFN) our members only fueling network in the United States and Canada. The CFN network is composed of over 2,500 fueling sites, each of which is owned by a CFN

Table of Contents

member, and the majority of which are unattended cardlock facilities. The CFN network provides fuel card authorization, transaction processing and cardlock site branding for over 230 independent petroleum marketers. Through a CFN affiliation, petroleum marketers can offer commercial fleets an integrated fuel card solution with access to over 56,000 locations via FleetCor's Fuelman network.

Marcus our proprietary fleet management telematics solution serving customers primarily in the United States and Canada. The Marcus solution provides fleet management services to more than 100,000 devices across North America.

Pacific Pride Fueling Network (PacPride) our branded fueling network in the United States composed of over 1,000 fueling sites, each of which is franchisee owned. Our franchisees join PacPride to provide network access to their fleet customers and benefit from fleet card volume generated by our other franchisees fleet customers fueling at their locations. In 2015, PacPride launched the PrideAdvantage fleet card providing fleet customers of franchisees access to over 56,000 locations via FleetCor's Fuelman network.

International proprietary closed-loop networks

Allstar network our proprietary fleet card network in the United Kingdom. We have negotiated card acceptance and settlement terms with approximately 2,600 individual merchants, providing this network with over 7,600 fueling sites.

Keyfuels network our proprietary fleet card network in the United Kingdom. We have negotiated card acceptance and settlement terms with more than 480 individual merchants, providing the Keyfuels network with over 2,600 fueling sites.

CCS network our primary proprietary fleet card network in the Czech Republic and Slovakia. We have negotiated card acceptance and settlement terms with several major oil companies on a brand-wide basis, including Agip, Benzina, OMV and Shell, and with approximately 1,300 other merchants, providing the CCS network with over 2,400 fueling sites and over 1,100 other sites accepting our cards.

Petrol Plus Region (PPR) network our primary proprietary fleet card network in Russia, Poland, Ukraine, Belarus, Kazakhstan and Moldova. We have negotiated card acceptance and settlement terms with over 650 individual merchants, providing the PPR network with approximately 11,200 fueling sites across the region.

Efectivale network our proprietary fuel and food card and voucher networks in Mexico. We have negotiated acceptance and settlement terms with over 44,000 individual merchants, providing the Mexican network with over 4,000 fueling sites, 36,000 food locations and 4,000 restaurants.

CTF network our proprietary fuel controls network in Brazil. We have partnerships with BR Distribuidora (Petrobras) and Ipiranga Distribuidora, retail oil distributors, as well as other fuel providers, in Brazil. CTF's

processing system works at over 1,700 highway fueling sites through these partnerships and is integrated with two main banks, Banco Bradesco and Banco Itau.

llink service network our proprietary maintenance and repair network in the United Kingdom. The llink network processes transactions for fleet customers through more than 9,000 service centres across the United Kingdom.

RODOCRED network our proprietary toll network in Brazil. The RODOCRED network processes toll transactions for more than 65,000 customers on all toll roads across Brazil.

VB Distribution system our proprietary distribution network in Brazil for transportation cards, meal/grocery cards, and fuel cards. The VB distribution network distributes cards for more than 26,000 clients and negotiates with more than 1,300 public transportation agencies across Brazil.

Table of Contents

Third-Party networks

In addition to our proprietary closed-loop networks, we also utilize various third-party networks to deliver our payment programs and services. Examples of these networks include:

MasterCard network In the United States and Canada, we issue corporate cards that utilize the MasterCard payment network, which includes over 176,000 fuel sites and 522,000 maintenance locations. Our co-branded MasterCard corporate cards, virtual card corporate payment solution, purchasing cards, T&E cards and multi-use cards have additional purchasing capabilities and can be accepted at over 10.3 million locations throughout the United States and Canada. We market these cards to customers who require card acceptance beyond our proprietary merchant locations. The MasterCard network delivers the ability to capture value-added transaction data at the point-of-sale and allows us to provide customers with fleet controls and reporting comparable to those of our proprietary fleet card networks.

Major oil and fuel marketer networks The proprietary networks of branded locations owned by our major oil and petroleum marketer partners in both North America and internationally are generally utilized to support the proprietary, branded card programs of these partners.

UTA network UNION TANK Eckstein GmbH & Co. KG (UTA) operates a network of over 52,000 points of acceptance in 40 European countries, including more than 37,000 fueling sites. The UTA network is generally utilized by European transport companies that travel between multiple countries.

DKV network DKV operates a network of over 58,500 fleet card-accepting locations across more than 40 countries throughout Europe. The DKV network is generally utilized by European transport companies that travel between multiple countries.

Carnet networks In Mexico, we issue fuel cards and food cards that utilize the Carnet payment network, which includes over 11,000 fueling sites, over 31,000 food locations and over 500,000 restaurants across the country.

Customers and distribution channels

We provide our fleet products and services primarily to trucking companies, commercial fleet customers and our major oil company and petroleum marketer partners. Our commercial fleet customers are businesses that operate fleets comprised of one or more vehicles, including small fleets (1-10 vehicles), medium fleets (11-150 vehicles), large fleets (over 150 vehicles), and government fleets (which are owned and operated by governments). We also provide services through strategic relationships with our partners, ranging in size from major oil companies, such as British Petroleum (BP) (including its subsidiary, Arco), Chevron and Shell, to smaller petroleum marketers with as little as a single fueling location. While we refer to companies with whom we have strategic relationships as partners, our legal relationships with these companies are contractual, and do not constitute legal partnerships.

We distribute our fleet products and services directly to trucking companies and commercial fleet customers as well as through our major oil company and petroleum marketer partners. We provide comprehensive end-to-end support for

our direct card programs that include issuing, processing and network services. We manage and market the fleet card programs of our partners under our partners' own brands. We support these programs with a variety of business models ranging from fully outsourced card programs, which include issuing, processing and network services, to card programs where we may only provide limited back office processing services. These supporting services vary based on our partners' needs and their own card program capabilities.

We primarily provide issuing, processing and information services to our major oil company partners, as these partners utilize their proprietary networks of branded locations to support their card programs. In addition, we provide network services to those major oil company partners who choose to offer a co-branded MasterCard as

Table of Contents

part of their card program. Our agreements with our major oil company partners typically have initial terms of five to ten years with current remaining terms ranging from two to seven years. No single partner represented more than 10% of our consolidated revenue in 2015, 2014 or 2013.

We provide similar fleet products and services to government fleet customers as we provide to other commercial fleet customers. Our government fleet customers generally constitute local, state or federal government-affiliated departments and agencies with vehicle fleets, such as police vehicle fleets and school bus fleets. We provide food, fuel, toll and transportation cards and vouchers to commercial businesses, fleets and governmental agencies.

We distribute our commercial payment solutions through direct and indirect channels to businesses of all sizes and types across a broad number of industry verticals. We serve customers across numerous industry verticals, such as retail, healthcare, construction and hospitality as well as general commercial payment services in energy, entertainment, insurance and trade finance. We provide our commercial payment solutions under contracts with our customers. Terms such as exclusivity, mandatory minimum contract payments and pricing terms vary based on scope of use, usage volumes, incentives and contract duration. When our commercial payment solutions include short term credit, our contracts for those solutions contain credit and collection terms. Contracts for our commercial stored value solutions include a description and pricing for our services and deliverables associated with those solutions.

For a description of our financial information by our North America and International segments and geographical areas, see Note 15 Segments.

Sales and marketing

We market our products and services to fleet operators and businesses in North America and internationally through multiple channels including field sales, telesales, direct marketing, point-of-sale marketing and the internet. We also leverage the sales and marketing capabilities of our strategic relationships with over 900 oil companies, petroleum marketers, card marketers, leasing companies, VARs and other referral partners. We employ sales and marketing employees worldwide that are focused on acquiring new customers for all of our direct business card programs, select card programs for oil companies, petroleum marketers and other services to fleets. We also utilize tradeshow, advertising and other awareness campaigns to market our products and services.

In marketing our products and services, we emphasize the size and reach of our acceptance networks, the benefits of our purchasing controls and reporting functionality and a commitment to high standards of customer service.

We utilize proprietary and third-party databases to develop our prospect universe, and segment those prospects by various characteristics, including industry, geography, fleet size and credit score, to identify potential customers. We develop customized offers for different types of potential customers and work to deliver those offers through the most effective marketing channel. We actively manage prospects across our various marketing channels to optimize our results and avoid marketing channel conflicts.

Our primary means of acquiring new customers include:

Field sales Our direct sales team includes field sales representatives, who conduct face-to-face sales presentations and product demonstrations with prospects, assist with post-sale program implementation and training and provide in-person account management. Field sales representatives also attend and manage our marketing at tradeshow. Our field sales force is dedicated to fleet products and other services and generally

targets fleets with more than 15 vehicles or cards. Our field sales force for corporate payment solutions targets large and mid-sized businesses primarily in the United States. We also have small field sales teams targeting large and medium sized retailers as prospective customers of our stored value products in the Americas, Asia-Pacific and Europe.

Telesales We have telesales representatives handling inbound and outbound sales calls.

Table of Contents

Our inbound call volume is primarily generated as a result of marketing activities, including, direct marketing, point-of-sale marketing and the web.

Our outbound phone calls typically target fleets that have expressed an initial interest in our services or have been identified through database analysis as prospective customers. Our telesales teams generally target fleets with 15 or fewer vehicles or cards. We also leverage our telesales channel to cross-sell additional products to existing customers.

For corporate payment solutions, our direct channel telesales group targets smaller businesses, provides cross-sale support and runs our vendor enrollment program that targets our commercial payment customer's supply-chain partners.

Direct marketing We market directly to potential fleet customers via mail and email. We test various program offers and promotions, and adopt the most successful features into subsequent direct marketing initiatives. We seek to enhance the sales conversion rates of our direct marketing efforts by coordinating timely follow-up calls by our telesales teams.

Point-of-sale marketing We provide marketing literature at the point-of-sale within our proprietary networks and those of major oil companies and petroleum marketers. Literature may include take-one applications, pump-top advertising and in-store advertising. Our point-of-sale marketing leverages the branding and distribution reach of the physical merchant locations.

Internet marketing We manage numerous marketing websites around the world and purchase both banner and pay-per-click advertisements. Our marketing websites tend to fall into two categories: product-specific websites and marketing portals. Our Web advertisements focus on key words and sites frequently used by our target customers.

Product-specific websites Our product-specific websites, including fuelman.com, cfnet.com, checkinn.com and keyfuels.co.uk, focus on one or more specific products, provide the most in-depth information available online regarding those particular products, allow prospects to apply for cards online (where appropriate) and allow customers to access and manage their accounts online. We manage product-specific websites for our own proprietary card programs as well as card programs of select oil companies and petroleum marketers.

Marketing portals Our marketing portals, including fleetcardsUSA.com and fuelcards.co.uk, serve as information sources for fleet operators interested in fleet card products. In addition to providing helpful information on fleet management, including maintenance, tax reporting and fuel efficiency, these websites allow fleet operators to research card products, compare the features and benefits of multiple products, and identify the card product which best meets the fleet manager's needs. Our exclusive FleetMatch technology matches an operator's information, including fleet size, geographic span of operations and fuel type usage, to the benefits and features of our various fleet card products and

provides a customized product recommendation to the fleet manager.

As part of our internet marketing strategy, we monitor and modify our marketing websites to improve our search engine rankings and test our advertising keywords to optimize our pay-per-click advertising spend among the major internet search firms such as Google and Yahoo.

Strategic relationships We have developed and currently manage relationships with over 900 oil companies, independent petroleum marketers, card marketers and leasing companies. Our major oil company and petroleum marketer relationships offer our payment processing and information management services to their fleet customers in order to establish and enhance customer loyalty. Our card programs for major oil companies and petroleum marketers carry their proprietary branding and may or may not be accepted in one of our merchant networks. We benefit from the marketing efforts of major oil companies and petroleum marketers with whom we have strategic relationships to attract customers to their fueling locations. We manage the fleet card sales and marketing efforts for several major oil companies across the full spectrum of channels, including field sales, telesales, direct marketing, point-of-sale marketing and internet marketing. In these cases, we establish dedicated sales

Table of Contents

and marketing teams to focus exclusively on marketing the products of major oil companies and petroleum marketers. Our major oil company relationships include some of the world's largest oil companies such as BP, Chevron and Shell. Through our leasing company relationships, we offer our payment processing, vehicle maintenance and information management services to their fleet customers as part of the leasing company's broader package of fleet services. Our leasing company relationships all reside outside of North America, and we view these relationships as an important strategic growth area.

Our indirect channel includes a broad range of VARs and other referral partners that expand our reach into smaller businesses, new industry verticals and new geographies faster and at a significantly lower cost. We provide our commercial payment solutions, third-party processing services and other fleet services to these partners who offer our services under our brands or their own brands on a white-label basis. For example, we provide healthcare payment solutions through healthcare networks, corporate payment solutions through software and services providers and payroll card solutions through payroll service providers.

Account management

Customer service, account activation, account retention. We provide account management and customer service to our customers. Based in dedicated call centers across our key markets, these professionals handle transaction authorizations, billing questions and account changes. Customers also have the opportunity to self-serve their accounts through interactive voice response and online tools. We monitor the quality of the service we provide to our customers by adhering to industry standard service levels with respect to abandon rates and answer times and through regular agent call monitoring. We also conduct regular customer surveys to ensure customers are satisfied with our products and services. In addition to our base customer service support, we provide the following specialized services:

Implementation and activation We have dedicated implementation teams that are responsible for establishing the system set-up for each customer account. These teams focus on successful activation and utilization of our new customers and provide training and education on the use of our products and services. Technical support resources are provided to support the accurate and timely set-up of technical integrations between our proprietary processing systems and customer systems (e.g., payroll, enterprise resource planning and point-of-sale). Larger accounts are provided dedicated program managers who are responsible for managing and coordinating customer activities for the duration of the implementation. These program managers are responsible for the successful set-up of accounts to meet stated customer objectives.

Strategic account management We assign designated account managers who serve as the single point of contact for our large accounts. Our account managers have in-depth knowledge of our programs and our customers' operations and objectives. Our account managers train customer administrators and support them on the operation and optimal use of our programs, oversee account setup and activation, review online billing and create customized reports. Our account managers also prepare periodic account reviews, provide specific information on trends in their accounts and work together to identify and discuss major issues and emerging needs.

Account retention We have proprietary, proactive strategies to contact customers who may be at risk of terminating their relationship with us. Through these strategies we seek to address service concerns, enhance

product structures and provide customized solutions to address customer issues.

Customer service Day-to-day servicing representatives are designated for customer accounts. These designated representatives are responsible for the daily service items and issue resolution of customers. These servicing representatives are familiar with the nuanced requirements and specifics of a customer's program. Service representatives are responsible for customer training, fraud disputes, card orders, card maintenance, billing, etc.

Table of Contents

Merchant network services Our representatives work with merchants such as fuel and vehicle maintenance providers to enroll them in one of our proprietary networks, install and test all network and terminal software and hardware and train them on the sale and transaction authorization process. In addition, our representatives provide transaction analysis and site reporting and address settlement issues.

Call center program administrator Off-hour call center support is provided to customers to handle time-sensitive requests and issues outside of normal business hours.

Management tools We offer a variety of online servicing tools that enable companies to identify and provide authority to program administrators to self-service their accounts.

Additionally, we provide cardholder support for individuals utilizing our payment tools, such as fleet, T&E, gift cards, and stored value payroll cards. This support enables cardholders the ability to activate cards, check balances, and resolve issues in a timely and effective fashion. Cardholder support is conducted 24-hours a day, seven-days per week in multiple languages utilizing telephony, web and call center technologies to deliver comprehensive and cost effective servicing. We have rigorous operational metrics in place to increase cardholder responsiveness to corporate and customer objectives.

Credit underwriting and collections. We follow detailed application credit review, account management, and collections procedures for all customers of our payment solutions. We use multiple levers including billing frequency, payment terms, spending limits and security to manage risk in our portfolio. For the years ended December 31, 2015 and 2014, our bad debt expense was \$24.6 million and \$24.4 million, respectively.

New account underwriting. We use a combination of quantitative, third-party credit scoring models and judgmental underwriting to screen potential customers and establish appropriate credit terms and spend limits. Our underwriting process provides additional scrutiny for large credit amounts and we utilize tiered credit approval authority among our management.

Prepaid and secured accounts. We also offer products and services on a prepaid or fully-secured basis. Prepaid customer accounts are funded with an initial deposit and subsequently debited for each purchase transacted on the cards issued to the customer. Fully-secured customer accounts are secured with cash deposits, letters of credit and/or insurance bonds. The security is held until such time as the customer either fails to pay the account or closes its account after paying outstanding amounts. Under either approach, our prepaid and fully-secured offerings allow us to market to a broader universe of prospects, including customers who might otherwise not meet our credit standards.

Monitoring and account management. We use fraud detection programs, including both proprietary and third party solutions, to monitor transactions and prevent misuse of our products. We monitor the credit quality of our portfolio periodically utilizing external credit scores and internal behavior data to identify high risk or deteriorating credit quality accounts. We conduct targeted strategies to minimize exposure to high risk accounts, including reducing spending limits and payment terms or requiring

additional security.

Collections. As accounts become delinquent, we may suspend future transactions based on our risk assessment of the account. Our collections strategy includes a combination of internal and outsourced resources which use both manual and dialer-based calling strategies. We use a segmented collection strategy which prioritizes higher risk and higher balance accounts. For severely delinquent, high balance accounts we may pursue legal remedies.

Competition

We face considerable competition in our business. The most significant competitive factors in our business are the breadth of product and service features, network acceptance size, customer service and account management

Table of Contents

and price. We believe that we generally compete favorably with respect to each of these factors. However, we may experience competitive disadvantages with respect to each of these factors from time to time as potential customers prioritize or value these competitive factors differently. As a result, a specific offering of our products and service features, networks and pricing may serve as a competitive advantage with respect to one customer and a disadvantage for another based on the customers' preferences.

We compete with independent fleet card providers, providers of card and employee benefit outsourcing services and major financial services companies as well as major oil companies and petroleum marketers that issue their own fleet cards. We also compete with providers of alternative payment mechanisms, such as financial institutions that issue corporate and consumer credit cards, and merchants offering house accounts as well as other forms of credit. Our largest independent fleet card and workforce productivity solutions competitors include WEX Inc., U.S. Bank Voyager Fleet Systems Inc., Electronic Funds Source LLC, World Fuel Services Corporation, Embratec, Edenred, Sodexo, Inc., Alelo, Ebbon-Dacs, Fleet on Demand, Radius, STP and GoodCard.

Our corporate payments business competes with large financial institutions and American Express. Such entities will often offer extended payment terms as well as more broadly packaged treasury management services. In highly competitive situations, we differentiate our business primarily based upon the utilization of both open and proprietary payment networks, integrated process flows and aggressive vendor enrollment programs which all in turn allow for faster and deeper accounts payable penetration and greater savings on accounts payable spend. Our business competes on ease of program integration, reporting and data, customer rebates, cardholder features, payment terms and network acceptance.

The competitive landscape for open-loop stored value cards is fragmented with entities playing different roles and going to market with different distribution strategies. Program managers include companies such as First Data Corporation, Fidelity National Information Services, Inc., Global Cash Card, Unirush and Skylight Financial, which is owned by Total System Services, Inc. Payroll companies offering stored value solutions include companies such as Automatic Data Processing, Inc., Paychex, Inc. and Heartland Payment Systems, Inc. Additionally, financial institutions offer stored value products as part of a broader suite of treasury management services or as direct-to-consumer replacements for traditional credit or debit cards (referred to as general purpose reloadable products). Such institutions include Bank of America, Citibank, J.P. Morgan Chase, PNC Bank, U.S. Bank and Wells Fargo Bank. We do not offer a consumer funded general purpose reloadable card, but rather focus on corporate customers utilizing payroll cards to ease their administration and provide a value-added benefit to their employees.

We primarily compete with a number of national companies in providing closed-loop gift cards, the largest of which include First Data Corporation and Vantiv, Inc. We also compete with businesses that rely on in-house solutions. We compete for stored value solutions business on the basis of breadth of services, systems, technology, customer service and price.

We also compete with a number of companies in the telematics space, the largest of which include Fleetmatics, Omnitracs, Trimble, Danaher, Zonar, Verizon, TomTom, Digicore, Transics and Fleetlogic.

Technology

Our technology provides continuous authorization of transactions, processing of critical account and client information and settlement between merchants, issuing companies and individual commercial entities. We recognize the importance of state-of-the-art, secure, efficient and reliable technology in our business and have made significant investments in our applications and infrastructure. In 2015, we spent more than \$100 million in capital and operating expenses to operate, protect and enhance our technology and expect to continue the build out of our proprietary

processing platform in Europe and Asia, as well as the integration of our recently acquired businesses.

Table of Contents

Our technology function is based in the United States, Europe and Brazil and has expertise in the management of applications, transaction networks and infrastructure. We operate application development centers in the United States, United Kingdom, Netherlands, Russia, Czech Republic, Brazil and New Zealand. Our distributed application architecture allows us to maintain, administer and upgrade our systems in a cost-effective and flexible manner. We integrate our systems with third-party vendor applications for certain products, sales and customer relationship management and back-office support. Our technology organization has undertaken and successfully executed large scale projects to develop or consolidate new systems, convert oil company and petroleum marketer systems and integrate acquisitions while continuing to operate and enhance existing systems.

Our technology infrastructure is supported by best-in-class, highly-secure data centers, with redundant locations. We operate six primary data centers, located in Atlanta, Georgia, Brentwood, Tennessee, Prague, Czech Republic, Las Vegas, Nevada, Louisville, Kentucky and Moscow, Russia. We use only proven technology and have no foreseeable capacity limitations. Our systems align with industry standards for security with multiple industry certifications. Our network is configured with multiple layers of security to isolate our databases from unauthorized access. We use security protocols for communication among applications, and our employees access critical components on a need-only basis. As of December 31, 2015, we have not experienced any data security breaches.

We maintain disaster recovery and business continuity plans. Our telecommunications and internet systems have multiple levels of redundancy to ensure reliability of network service. In 2015, we experienced 99.99% up-time for authorizations.

Proprietary processing systems

We operate several proprietary processing systems that provide the features and functionality to run our card programs and product offerings, including our card issuing, processing and information services. Our processing systems also integrate with our proprietary networks, which provide brand awareness and connectivity to our acceptance locations that enables the end-to-end card acceptance, data capture and transaction authorization capabilities of our card programs. Our proprietary processing systems and aggregation software are tailored to meet the unique needs of the individual markets they serve and enable us to create and deliver commercial payment solutions and stored value programs that serve each of our industry verticals and geographies. Our technology platforms are primarily comprised of four key components, which were primarily developed and are maintained in-house: (1) a core processing platform; (2) specialized software; (3) integrated network capabilities; and (4) a cloud based architecture with proprietary APIs.

Intellectual property

Our intellectual property is an important element of our business. We rely on trademark, copyright, trade secret, patent and other intellectual property laws, confidentiality agreements, contractual provisions and similar measures to protect our intellectual property. Our employees involved in technology development in some of the countries in which we operate, including the United States, are required to sign agreements acknowledging that all intellectual property created by them on our behalf is owned by us. We also have internal policies regarding the protection, disclosure and use of our confidential information. Confidentiality, license or similar agreements or clauses are generally used with our business partners and vendors to control access, use and distribution of our intellectual property. Unauthorized persons may attempt to obtain our intellectual property despite our efforts and others may develop similar intellectual property independently. We own trade names, service marks, trademarks and registered trademarks supporting a number of our brands, such as FleetCor, Fuelman, FleetNet, Global FleetNet, FleetCards USA, Comdata, Comchek, SVS, CFN, NexTraQ, CrewView, and Mannatec in the United States. We also own trademarks and registered trademarks in various foreign jurisdictions for a number of our brands, such as Keyfuels, The Fuelcard Company, CCS, iMonitor, Transit Card, Allstar, Epyx, llink, PPR, NKT, CTF, CardLink, and Efectivale. We hold a number of

patents and pending applications relating to payment card, fuel tax returns and telematics inventions.

Table of Contents

Acquisitions

Since 2002, we have completed over 65 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. For a discussion of recent acquisitions, see Management's Discussion and Analysis of Financial Conditions and Results of Operations Acquisitions .

Regulatory

A substantial number of laws and regulations, both in the United States and in other jurisdictions, apply to businesses offering payment cards to customers or processing or servicing for payment cards and related accounts. These laws and regulations are often evolving and sometimes ambiguous or inconsistent, and the extent to which they apply to us is at times unclear. Failure to comply with regulations may result in the suspension or revocation of licenses or registrations, the limitation, suspension, or termination of services, and/or the imposition of civil and criminal penalties, including fines. Certain of our services are also subject to rules set by various payment networks, such as MasterCard, as more fully described below.

The following, while not exhaustive, is a description of several federal and state laws and regulations in the United States that are applicable to our business. The laws and regulations of other jurisdictions also affect us, and they may be more or less restrictive than those in the United States and may also impact different parts of our operations. In addition, the legal and regulatory framework governing our business is subject to ongoing revision, and changes in that framework could have a significant effect on us.

Money Transmission and Payment Instrument Licensing Regulations

We are subject to various U.S. laws and regulations governing money transmission and the issuance and sale of payment instruments relating to certain aspects of our business. In the United States, most states license money transmitters and issuers of payment instruments. Through our subsidiaries, we are licensed in 46 states. Many states exercise authority over the operations of our services related to money transmission and payment instruments and, as part of this authority, subject us to periodic examinations, which may include a review of our compliance practices, policies and procedures, financial position and related records, privacy and data security policies and procedures, and other matters related to our business. Some state agencies conduct periodic examinations and issue findings and recommendations as a result of which we make changes to our operations, such as improving our reporting processes, detailing our intercompany arrangements, and implementing new or revising existing policies and procedures such as our anti-money laundering and OFAC compliance program and complaints management process, and improvements to our documentation processes.

As a licensee, we are subject to certain restrictions and requirements, including net worth and surety bond requirements, record keeping and reporting requirements, requirements for regulatory approval of controlling stockholders, and requirements to maintain certain levels of permissible investments in an amount equal to our outstanding payment obligations. Many states also require money transmitters and issuers of payment instruments to comply with federal and/or state anti-money laundering laws and regulations. Many states require prior approval for an indirect change of control of the licensee and certain other corporate events.

Government agencies may impose new or additional requirements on money transmission and sales of payment instruments, and we expect that compliance costs will increase in the future for our regulated subsidiaries.

Privacy and Information Security Regulations

We provide services that may be subject to privacy laws and regulations of a variety of jurisdictions. Relevant federal privacy laws include the Gramm-Leach-Bliley Act of 1999, which applies directly to a broad range of financial institutions and indirectly, or in some instances directly, to companies that provide services to financial institutions. These laws and regulations restrict the collection, processing, storage, use and disclosure of personal

Table of Contents

information, require notice to individuals of privacy practices and provide individuals with certain rights to prevent the use and disclosure of protected information. These laws also impose requirements for safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. In addition, there are state laws restricting the ability to collect and utilize certain types of information such as Social Security and driver's license numbers. Certain state laws impose similar privacy obligations as well as obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and consumer reporting agencies and businesses and governmental agencies that own data. To the extent that we offer our services outside the United States, we are also required to comply with various foreign laws and regulations relating to privacy and information security, some of which are more stringent than the laws in the United States.

Certain of our products that access payment networks require compliance with Payment Card Industry (PCI) standards. Our subsidiary, Comdata Inc., is PCI 2.0 compliant and its Attestation of Compliance is listed on MasterCard's compliant service provider listing. Failure to maintain compliance with updates to PCI data security standards including having effective technical and administrative safeguards and policies and procedures could result in fines and assessments from payment networks and regulatory authorities, as well as litigation.

Federal Trade Commission Act

All persons engaged in commerce, including, but not limited to, us and our bank sponsors and customers are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices, and certain products are subject to the jurisdiction of the CFPB regarding the prohibition of unfair, deceptive, or abusive acts and practices (both, collectively, UDAAP). Various federal and state regulatory enforcement agencies including the Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB) and the state attorneys general have authority to take action against businesses, merchants and financial institutions that engage in UDAAP or violate other laws, rules and regulations. If we violate such laws, rules and regulations, we may be subject to enforcement actions and as a result, may incur losses and liabilities that may impact our business. A number of state laws and regulations also prohibit unfair and deceptive business practices.

Truth in Lending Act

The Truth in Lending Act, or TILA, was enacted to increase consumer awareness of the cost of credit and is implemented by Regulation Z. Most provisions of TILA and Regulation Z apply only to the extension of consumer credit, but a limited number apply to commercial cards as well. One example where TILA and Regulation Z are generally applicable is a limitation on liability for unauthorized use, although a business that acquires 10 or more credit cards for its personnel can agree to more expansive liability. Our cardholder agreements generally provide for these business customers to waive, to the fullest extent possible, all limitations on liability for unauthorized card use.

Credit Card Accountability, Responsibility, and Disclosure Act of 2009

The Credit Card Accountability, Responsibility, and Disclosure Act of 2009 amended provisions of TILA that affect consumer credit and also directed the Federal Reserve Board to study the use of credit cards by small businesses and to make legislative recommendations. The report concluded that it is not clear whether the potential benefits outweigh the increased cost and reduced credit availability if the disclosure and substantive restrictions applicable to consumer cards were to be applied to small business cards. Legislation has been introduced, from time to time, to increase the protections afforded to small businesses that use payment cards. If legislation of this kind were enacted, our products and services for small businesses could be adversely impacted.

Equal Credit Opportunity Act

The Equal Credit Opportunity Act, or ECOA, together with Regulation B prohibit creditors from discriminating on certain prohibited bases, such as an applicant's sex, race, nationality, age and marital status, and further requires that creditors disclose the reasons for taking any adverse action against an applicant or a customer seeking credit.

Table of Contents

The Fair Credit Reporting Act

The Fair Credit Reporting Act, or FCRA, regulates consumer reporting agencies and the disclosure and use of consumer reports. We may obtain consumer reports with respect to an individual who guarantees or otherwise is obligated on a commercial card.

FACT Act

The Fair and Accurate Credit Transactions Act of 2003 amended FCRA and requires creditors to adopt identity theft prevention programs to detect, prevent and mitigate identity theft in connection with covered accounts, which can include business accounts for which there is a reasonably foreseeable risk of identity theft.

Anti-Money Laundering and Counter Terrorist Regulations

The Currency and Foreign Transactions Reporting Act (the BSA), which is also known as the Bank Secrecy Act and which has been amended by the USA PATRIOT Act of 2001, contains a variety of provisions aimed at fighting terrorism and money laundering. Our business in Canada is also subject to Proceeds of Crime (Money Laundering) and Terrorist Financing Act, or the PCTFA, which is a corollary to the BSA. Among other things, the Bank Secrecy Act and implementing regulations issued by the U.S. Treasury Department require financial-services providers to establish anti-money laundering programs, to not engage in terrorist financing, to report suspicious activity, and to maintain a number of related records.

Through certain subsidiaries, we are registered money services businesses. As a result, we have established anti-money laundering compliance programs that include: (i) internal policies and controls; (ii) designation of a compliance officer; (iii) ongoing employee training; and (iv) an independent review function. We have developed and implemented compliance programs comprised of policies, procedures, systems and internal controls to monitor and address various legal requirements and developments.

In addition, provisions of the BSA known as the Prepaid Access Rule issued by the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (FinCEN) impose certain obligations, such as registration and collection of consumer information, on providers of certain prepaid access programs, including the stored value products issued by our sponsor banks for which we serve as program manager. FinCEN has taken the position that, where the issuing bank has principal oversight and control of such prepaid access programs, no other participant in the distribution chain would be required to register as a provider under the Prepaid Access Rule. Despite this position, we have opted to register as a provider of prepaid access through our subsidiary, Comdata Inc. We are also subject to certain economic and trade sanctions programs that are administered by the Treasury Department's Office of Foreign Assets Control, or OFAC, that prohibit or restrict transactions to or from or dealings with specified countries, their governments and, in certain circumstances, their nationals, narcotics traffickers, and terrorists or terrorist organizations.

Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, effected comprehensive revisions to a wide array of federal laws governing financial institutions, financial services, and financial markets. Among its most notable provisions is the creation of the Consumer Financial Protection Bureau or CFPB, which is charged with regulating consumer financial products or services and which is assuming much of the rulemaking authority under TILA, ECOA, FCRA, and other federal laws affecting the extension of credit. In addition to rulemaking authority over several enumerated federal consumer financial protection laws, the CFPB is authorized

to issue rules prohibiting UDAAP by persons offering consumer financial products or services and their service providers, and has authority to enforce these consumer financial protection laws and CFPB rules. The CFPB has not defined what is a consumer financial product or service but has indicated informally that, in some instances, small businesses may be covered under consumer protection.

Table of Contents

As a service provider to certain of our bank sponsors, we are subject to direct supervision and examination by the CFPB, in connection with certain of our products and services. CFPB rules, examinations and enforcement actions may require us to adjust our activities and may increase our compliance costs.

In addition, the Durbin Amendment to the Dodd-Frank Act provided that interchange fees that a card issuer or payment network receives or charges for debit transactions will now be regulated by the Federal Reserve and must be reasonable and proportional to the cost incurred by the card issuer in authorizing, clearing and settling the transaction. Payment network fees may not be used directly or indirectly to compensate card issuers in circumvention of the interchange transaction fee restrictions. In July 2011, the Federal Reserve published the final rules governing debit interchange fees. Effective in October 2011, with certain exemptions debit interchange rates are capped at \$0.21 per transaction with an additional component of five basis points of the transaction's value to reflect a portion of the issuer's fraud losses plus, for qualifying issuing financial institutions, an additional \$0.01 per transaction in debit interchange for fraud prevention costs. In March 2014, the U.S. Court of Appeals for the District of Columbia overturned the U.S. District Court for the District of Columbia's July 2013 ruling that held the Federal Reserve's regulations implementing the Durbin Amendment invalid. While the Court of Appeals upheld most of the Federal Reserve's implementing regulations, the Court has remanded to the Federal Reserve for further explanation of its regulations regarding transactions-monitoring costs. Regardless of the outcome of the litigation, the cap on interchange fees is not expected to have a material direct impact on our results of operations because we qualify for an exemption for the majority of our debit transactions.

The implementation of the Dodd-Frank Act is ongoing, and as a result, its overall impact remains unclear. Its provisions, however, are sufficiently far reaching that it is possible that we could be further directly or indirectly impacted.

Anti-Bribery Regulations

The FCPA prohibits the payment of bribes to foreign government officials and political figures and includes anti-bribery provisions enforced by the Department of Justice and accounting provisions enforced by the SEC. The statute has a broad reach, covering all U.S. companies and citizens doing business abroad, among others, and defining a foreign official to include not only those holding public office but also local citizens affiliated with foreign government-run or -owned organizations. The statute also requires maintenance of appropriate books and records and maintenance of adequate internal controls to prevent and detect possible FCPA violations.

Payment card industry rules

Partner banks issuing payment cards bearing the MasterCard brand, and FleetCor to the extent that we provide certain services in connection with those cards and fleet customers acting as merchants accepting those cards, must comply with the bylaws, regulations and requirements that are promulgated by MasterCard and other applicable payment-card organizations, including the Payment Card Industry Data Security Standard developed by MasterCard and VISA, the MasterCard Site Data Protection Program and other applicable data-security program requirements. A breach of such payment card network rules could subject us to a variety of fines or penalties that may be levied by the payment networks for certain acts or omissions. The payment networks routinely update and modify their requirements. Our failure to comply with the networks' requirements or to pay the fines they impose could cause the termination of our registration and require us to stop processing transactions on their networks.

We are also subject to network operating rules promulgated by the National Automated Clearing House Association relating to payment transactions processed by us using the Automated Clearing House Network.

Table of Contents

Escheat Regulations

Certain of our subsidiaries are subject to unclaimed or abandoned property (escheat) laws in the United States that require them to turn over to certain government authorities the property of others they hold that has been unclaimed for a specified period of time such as payment instruments that have not been presented for payment and account balances that are due to a customer following discontinuation of its relationship with such subsidiaries. Certain of our subsidiaries are subject to audit by individual U.S. states with regard to their escheatment practices.

Prepaid Card Regulations

Prepaid card programs managed by us are subject to various federal and state laws and regulations, in addition to those identified above, including the Credit Card Accountability Responsibility and Disclosure Act of 2009 and the Federal Reserve's Regulation E, which impose requirements on general-use prepaid cards, store gift cards and electronic gift certificates. These laws and regulations are evolving, unclear and sometimes inconsistent and subject to judicial and regulatory challenge and interpretation, and therefore the extent to which these laws and rules have application to, and their impact on us, is in flux. At this time we are unable to determine the impact that the clarification of these laws and their potential application and future interpretations, as well as new laws, may have on us in a number of jurisdictions. The CFPB is expected to promulgate additional regulations regarding general-purpose prepaid cards. The substance and implementation dates of such additional rulemaking may result in additional compliance obligations and expense for our business.

State usury laws

Extensions of credit under many of our card products may be treated as commercial loans. In some states, usury laws limit the interest rates that can be charged not only on consumer loans but on commercial loans as well. To the extent that these usury laws apply, we are limited in the amount of interest that we can charge and collect from our customers. Because we have substantial operations in multiple jurisdictions, we utilize choice of law provisions in our cardholder agreements as to the laws of which jurisdiction to apply. In addition, the interest rates on certain of our card products are set based upon the usury limit of the cardholder's state. With respect to card products where we work with a partner or issuing bank, the partner bank may utilize the law of the jurisdiction applicable to the bank and exports the usury limit of that state in connection with cards issued to residents of other states or we may use our choice of law provisions.

Other

We are subject to examination by our sponsor banks' regulators, and must comply with certain regulations to which our sponsor banks are subject, as applicable. We are subject to audit by certain sponsor banks.

The Housing Assistance Tax Act of 2008 requires information returns to be made for each calendar year by merchants acquiring entities and third-party settlement organizations with respect to payments made in settlement of electronic payment transactions and third-party payment network transactions occurring in that calendar year. Reportable transactions are also subject to backup withholding requirements. We are required to comply with these requirements for the merchants in our Comdata network. We could be liable for penalties if our information return is not in compliance with these regulations.

Employees and labor relations

As of December 31, 2015, we employed approximately 5,330 employees, approximately 2,660 of whom were located in the United States. We consider our employee relations to be good and have never experienced a work stoppage.

Table of Contents

Additional Information

Our website address is www.fleetcor.com. You may obtain free electronic copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to such reports required to be filed or furnished pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, at our website under the headings Investor Relations SEC Filings.

Table of Contents**ITEM X. EXECUTIVE OFFICERS OF THE REGISTRANT**

The following table sets forth certain information regarding our executive officers, with their respective ages as of December 31, 2015. Our officers serve at the discretion of our board of directors. There are no family relationships between any of our directors or executive officers.

Name	Age	Position(s)
Ronald F. Clarke	60	Chief Executive Officer and Chairman of the Board of Directors
Eric R. Dey	56	Chief Financial Officer
Kurt Adams	46	President Comdata Corporate Payments
Andrew R. Blazye	57	President International Corporate Development
John S. Coughlin	48	Executive Vice President Global Corporate Development
Timothy J. Downs	58	President Corporate Lodging Consultants
Charles Freund	43	Executive Vice President Global Sales
Alexey Gavrilena	39	President Continental Europe
Todd W. House	44	President North America Direct Issuing, U.S. Telematics and Efectivale
David D. Maxsimic	56	President North America Partners
Armando Netto	47	President Brazil
John A. Reed	61	Global Chief Information Officer
Gregory Secord	53	President Comdata North America Trucking

Ronald F. Clarke has been our Chief Executive Officer since August 2000 and was appointed Chairman of our board of directors in March 2003. From 1999 to 2000, Mr. Clarke served as President and Chief Operating Officer of AHL Services, Inc., a staffing firm. From 1990 to 1998, Mr. Clarke served as chief marketing officer and later as a division president with Automatic Data Processing, Inc., a computer services company. From 1987 to 1990, Mr. Clarke was a principal with Booz Allen Hamilton, a global management consulting firm. Earlier in his career, Mr. Clarke was a marketing manager for General Electric Company, a diversified technology, media, and financial services corporation.

Eric R. Dey has been our Chief Financial Officer since November 2002. From October 2000 to October 2002, Mr. Dey served as Chief Financial Officer of NCI Corporation, a call center company. From July 1999 to October 2000, Mr. Dey served as Chief Financial Officer of Leisure Time Technology, a software development/manufacturing company. From 1994 to 1999, Mr. Dey served as Corporate Controller with Excel Communications, a telecommunications service provider. From 1984 to 1994, Mr. Dey held a variety of financial and accounting positions with PepsiCo, Inc., a global beverage, snack and food company.

Kurt Adams joined us in September 2015 as our President Comdata Corporate Payments. Prior to joining us, Mr. Adams was most recently President, Corporate Payments Solutions for U.S. Bancorp. Prior to that, Mr. Adams led strategy and planning for NOVA Information Systems (now Elavon a U.S. Bancorp subsidiary) in Europe. Prior to his career in payments, Mr. Adams enjoyed a successful investment banking career with Piper Jaffray.

Andrew R. Blazye has served as our President International Corporate Development since 2012. From July 2007 to May 2012, Mr. Blazye served as our Chief Executive Officer FleetCor Europe. From April 2006 to June 2007, Mr. Blazye was a Group Director for Dunnhumby Ltd., a research firm. From September 1980, to March 2006, Mr. Blazye held various positions with Shell International Ltd., a subsidiary of Royal Dutch Shell plc, a global energy company, including Global Payments General Manager.

John S. Coughlin has served as our Executive Vice President Global Corporate Development since September 2010. From 2007 to 2010, Mr. Coughlin served as a Managing Director at PCG Capital Partners, a private equity firm. From 2005 to 2006, Mr. Coughlin served as Chief Executive Officer of NCDR LLC, a private equity owned national dental practice management company. From 1994 to 2005, Mr. Coughlin was with The Parthenon

Table of Contents

Group, a strategic advisory and principal investment firm, where he was a Senior Partner and the founder and head of the firm's San Francisco office. From 1990 to 1992, Mr. Coughlin was an investment banker with Credit Suisse First Boston.

Timothy J. Downs joined us as President Corporate Lodging Consultants in connection with our acquisition of CLC Group, Inc. in April 2009. Prior to joining us, Mr. Downs held various positions with Corporate Lodging Consultants, including Vice President Technology from May 1999 to September 2004 and as Executive Vice President Operations from September 2004 to April 2009.

Charles Freund was named our Executive Vice President Global Sales in January 2016 and has been with us since 2000. Prior to his current role, Mr. Freund was serving as our Executive Vice President Corporate Strategy since December 2014. From December 2010 to December 2014, Mr. Freund served as our President Emerging Markets. From January 2009 to December 2010, Mr. Freund served as our Senior Vice President Corporate Strategy. From June 2006 to December 2008, Mr. Freund served as our Managing Director The Fuelcard Company UK Limited. Prior to June 2006, Mr. Freund served as our Vice President of Business Development.

Alexey Gavrilena was named President Continental Europe in February 2016, adding to his responsibilities as President Central/Eastern Europe announced in January 2016. Mr. Gavrilena has been President, Eastern Europe since May 2011, where he has been responsible for PPR and NKT. From March 2009 to April 2011, Mr. Gavrilena served as our Executive Vice President Strategy and Finance, Eastern Europe. Prior to joining us, Mr. Gavrilena was CFO of Matarex, Ltd.

Todd W. House has been our President North America Direct Issuing, U.S. Telematics and Efectivale since November 2015. Prior to this, Mr. House served as the president for several of our businesses throughout North America and Mexico, after joining us in April 2009 as our Chief Operating Officer. From 2007 to 2009, Mr. House held various positions, including Chief Financial Officer with Axiant, LLC, a provider of financial services and recovery management solutions. From 2005 to 2007, Mr. House was Vice President and Chief Credit Officer with Carmax, Inc., an automobile retailer. Mr. House was at Capital One from 1993-2004 in a variety of leadership roles, most recently VP Credit Risk Management.

David D. Maxsimic was named President North America Partners in November 2015. Mr. Maxsimic joined us in January 2015 as our Group CEO UK and Australasia. Prior to joining us, Mr. Maxsimic held various positions at WEX (also known as Wright Express) from 1997 to 2014, including President International, executive vice president of sales and marketing, senior vice president of sales, and vice president and general manager for Wright Express Direct Card. Prior to WEX, Mr. Maxsimic served as senior sales executive for several major fleet service companies, including U.S. Fleet Leasing, GE Capital Fleet Services, and PHH Fleet America. Mr. Maxsimic has over 25 years of experience in sales, marketing and managing customer relationships, in addition to managing and executing sales of complex financial services.

Armando Netto joined us in June 2014 as our President Brazil. Prior to joining us, Mr. Netto led IT Services for TIVIT, an IT and BPO services company, from 2006 to 2014, where he led the integration of functional areas into the business unit, focused on onboarding new clients and ensured service quality. Prior to TIVIT, Mr. Netto held various leadership roles with Unisys and McKinsey, where he gained international experience in Europe supporting clients in the UK, France, Austria, Portugal and the Netherlands.

John A. Reed has been our Global Chief Information Officer over product development and IT operations since 2013. From 2000 to 2009, Mr. Reed served various technology leadership roles at MBNA/Bank of America, Zurich Insurance and Unisys. From 1997 to 2000, Mr. Reed was the President and Managing Director for Business

Innovations Inc., a financial services technology consulting company.

Gregory Secord joined us in July 2015 as our President Comdata North America Trucking. Prior to joining us, Mr. Secord worked with ADP, where he was President ADP Canada operations. Prior to his 20 year career with ADP, Mr. Secord held sales and marketing management roles with Canon and Xerox.

Table of Contents

ITEM 1A. RISK FACTORS

You should carefully consider the following risks applicable to us. If any of the following risks actually occur, our business, operating results, financial condition and the trading price of our common stock could be materially adversely affected. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See Note Regarding Forward-Looking Statements in this report.

Risks related to our business

A decline in retail fuel prices could adversely affect our revenue and operating results.

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 decline in retail fuel prices could cause a decrease in our revenue from fees paid to us by merchants based on a percentage of each transaction purchase amount. We believe that in 2015, approximately 15% of our consolidated revenue was directly influenced by the absolute price of fuel. Changes in the absolute price of fuel may also impact unpaid account balances and the late fees and charges based on these amounts. A decline in retail fuel prices could adversely affect our revenue and operating results.

Fuel prices are dependent on several factors, all of which are beyond our control. These factors include, among others:

supply and demand for oil and gas, and market expectations regarding supply and demand;

actions by members of OPEC and other major oil-producing nations;

new oil production being developed in the U.S. and elsewhere;

political conditions in oil-producing and gas-producing nations, including insurgency, terrorism or war;

oil refinery capacity;

weather;

the prices of foreign exports;

speculative trading;

the implementation of fuel efficiency standards and the adoption by our fleet customers of vehicles with greater fuel efficiency or alternative fuel sources;

general worldwide economic conditions; and

governmental regulations, taxes and tariffs.

A portion of our revenue is derived from fuel-price spreads. As a result, a contraction in fuel-price spreads could adversely affect our operating results.

Approximately 12% of our consolidated revenue in 2015 was derived from transactions where our revenue is tied to fuel-price spreads. Fuel-price spreads equal the difference between the fuel price we charge to the fleet customer and the fuel price paid to the fuel merchant. In transactions where we derive revenue from fuel-price spreads, the fuel price paid to the fuel merchant is calculated as the merchant's wholesale cost of fuel plus a commission. 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 fleet customer is dependent on several factors including, among others, the fuel price paid to the fuel 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 fleet customers, or the fuel price we charge to our fleet customers decreases at a faster rate than the merchant's wholesale cost of fuel. Accordingly, when fuel-price spreads contract, we generate less revenue, which could adversely affect our operating results.

Table of Contents

If we fail to adequately assess and monitor credit risks of our customers, we could experience an increase in credit loss.

We are subject to the credit risk of our customers, which range in size from small, sole proprietorships to large, publicly traded companies. We use various methods to screen potential customers and establish appropriate credit limits, but these methods cannot eliminate all potential credit risks and may not always prevent us from approving customer applications that are not credit worthy or are fraudulently completed. Changes in our industry, customer demand, and, in relation to our fleet customers, movement in fuel prices may result in periodic increases to customer credit limits and spending and, as a result, could lead to increased credit losses. We may also fail to detect changes to the credit risk of customers over time. Further, during a declining economic environment, we experience increased customer defaults and preference claims by bankrupt customers. If we fail to adequately manage our credit risks, our bad debt expense could be significantly higher than historic levels and adversely affect our business, operating results and financial condition.

We derive a significant portion of our revenue from program fees and charges paid by the users of our cards. Any decrease in our receipt of such fees and charges, or limitations on our fees and charges, could adversely affect our business, results of operations and financial condition.

Our card programs include a variety of fees and charges associated with transactions, cards, reports, optional services and late payments. We derived approximately 72% of our consolidated revenues from these fees and charges during the year ended December 31, 2015. If the users of our cards decrease their transaction activity, or the extent to which they use optional services or pay invoices late, our revenue could be materially adversely affected. In addition, several market factors can affect the amount of our fees and charges, including the market for similar charges for competitive card products and the availability of alternative payment methods such as cash or house accounts. Furthermore, regulators and Congress have scrutinized the electronic payments industry's pricing, charges and other practices related to its customers. Any legislative or regulatory restrictions on our ability to price our products and services could materially and adversely affect our revenue. Any decrease in our revenue derived from these fees and charges could materially and adversely affect our business, operating results and financial condition.

We operate in a competitive business environment, and if we are unable to compete effectively, our business, operating results and financial condition would be adversely affected.

The market for our products and services is highly competitive, and competition could intensify in the future. Our competitors vary in size and in the scope and breadth of the products and services they offer. In the fleet card business, our primary competitors in North America are small, regional and large independent fleet card providers, major oil companies and petroleum marketers that issue their own fleet cards and major financial services companies that provide card services to major oil companies and petroleum marketers. In the commercial payments business, we face a variety of competitors, some of which have greater financial resources, name recognition and scope and breadth of products and services. Competitors in the hotel card business include travel agencies, online lodging discounters, internal corporate procurement and travel resources, and independent services companies, among others. Competitors in the mobile telematics business include the major car companies, wireless phone service providers and independent services companies, among others. We also compete for customers with providers of alternative payment mechanisms, such as merchants offering house cash accounts or other forms of credit. Our primary competitors in Europe, Australia and New Zealand are independent fleet card providers, major oil companies and petroleum marketers that issue branded fleet cards, and providers of card outsourcing services to major oil companies and petroleum marketers. Our primary competitors in Latin America are independent providers of food, fuel, toll, transportation and fleet cards and vouchers, commercial fleet cards offered by the major oil companies and providers of card outsourcing services to major oil companies and petroleum marketers.

The most significant competitive factors in our business are the breadth of product and service features, network acceptance size, customer service, account management, and price. We may experience competitive

Table of Contents

disadvantages with respect to any of these factors from time to time as potential customers prioritize or value these competitive factors differently. As a result, a specific offering of our products and service features, networks and pricing may serve as a competitive advantage with respect to one customer and a disadvantage for another based on the customers' preferences.

Some of our existing and potential competitors have longer operating histories, greater brand name recognition, larger customer bases, more extensive customer relationships or greater financial and technical resources. In addition, our larger competitors may also have greater resources than we do to devote to the promotion and sale of their products and services and to pursue acquisitions. Many of our competitors provide additional and unrelated products and services to customers, such as treasury management, commercial lending and credit card processing. By providing these other services that we do not provide, these competitors have an advantage of being able to bundle their products and services together and present them to existing customers with whom they have established relationships, sometimes at a discount. For example, in the commercial payments business, we compete with full service banks that are able to offer treasury management and commercial lending in addition to commercial payment solutions. If price competition continues to intensify, we may have to increase the incentives that we offer to our customers, decrease the prices of our products and services or lose customers, each of which could adversely affect our operating results. In the fleet card business, major oil companies and petroleum marketers and large financial institutions may choose to integrate fuel-card services as a complement to their existing card products and services, as well as offer add on complementary services. As a result, they may be able to adapt more quickly to new or emerging technologies and changing opportunities, standards or customer requirements. To the extent that our competitors are regarded as leaders in specific categories, they may have an advantage over us as we attempt to further penetrate these categories.

Future mergers or consolidations among competitors, or acquisitions of our competitors by large companies may present competitive challenges to our business. Resulting combined entities could be at a competitive advantage if their fuel-card products and services are effectively integrated and bundled into sales packages with their widely utilized non-fuel-card-related products and services. Further, competitors may reduce the fees for their services, which could increase pricing pressure within our markets.

Overall, increased competition in our markets could result in intensified pricing pressure, reduced profit margins, increased sales and marketing expenses and a failure to increase, or a loss of, market share. We may not be able to maintain or improve our competitive position against our current or future competitors, which could adversely affect our business, operating results and financial condition.

Our fleet card business is dependent on several key strategic relationships, the loss of which could adversely affect our operating results.

We intend to seek to expand our strategic relationships with major oil companies. We refer to the major oil companies and petroleum marketers with whom we have strategic relationships as our partners. During 2015, our top three strategic relationships with major oil companies accounted for less than 7% of our consolidated revenue. Our agreements with our major oil company partners typically have initial terms of five to ten years with current remaining terms ranging from about two to seven years.

The success of our business is in part dependent on our ability to maintain these strategic relationships and enter into additional strategic relationships with major oil companies. In our relationships with these major oil companies, our services are marketed under our partners' brands. If these partners fail to maintain their brands, or decrease the size of their branded networks, our ability to grow our business may be adversely affected. Also, our inability to maintain or further develop these relationships or add additional strategic relationships could materially and adversely affect our business and operating results.

To enter into a new strategic relationship or renew an existing strategic relationship with a major oil company, we often must participate in a competitive bidding process, which may focus on a limited number of factors, including pricing. The bidding and negotiating processes generally occur over a protracted time period. The use

Table of Contents

of these processes may affect our ability to effectively compete for these relationships. Our competitors may be willing to bid for these contracts on pricing or other terms that we consider uneconomical in order to win this business. The loss of our existing major oil company partners or the failure to contract or delays in contracting with additional partners could materially and adversely affect our business, operating results and financial condition.

We depend, in part, on our merchant relationships to grow our business. To grow our customer base in the closed loop fleet card and lodging card businesses, we must retain and add relationships with merchants who are located in areas where our customers purchase fuel, maintenance services and lodging. If we are unable to maintain and expand these relationships, our closed loop fleet card and lodging card businesses may be adversely affected.

With respect to the closed-loop networks we utilize, a portion of our growth is derived from acquiring new merchant relationships to serve our customers, as well as from our new and enhanced product and service offerings and cross-selling our products and services through existing merchant relationships. We rely on the continuing growth of our merchant relationships and our distribution channels in order to expand our customer base. There can be no guarantee that this growth will continue. Similarly, our growth also will depend on our ability to retain and maintain existing merchant relationships that accept our proprietary closed-loop networks in areas where our customers purchase fuel and lodging. Our contractual agreements with fuel merchants and service garages typically have initial terms of one or two years and automatically renew on the same basis unless either party gives notice of termination. Our agreements with lodging providers typically have initial terms of one year and automatically renew on a month-to-month basis unless either party gives notice of termination. Furthermore, merchants with which we have relationships may experience bankruptcy, financial distress, or otherwise be forced to contract their operations. The loss of existing merchant relationships, failure to continue such relationships on similarly attractive economic terms, the contraction of our existing merchants' operations or the inability to acquire new merchant relationships could adversely affect our ability to serve our customers and our business and operating results.

We depend on our relationships with major truck stop merchants to serve our over-the-road fuel card customers. We must maintain these relationships to effectively serve our customers that use these merchants. If we are unable to maintain these relationships, our over-the-road card businesses may be adversely affected.

We have long standing relationships with major truck stop merchants to accept our over-the-road fuel cards. Over-the-road customers purchase a significant proportion of their fuel at major truck stop merchants. The loss of existing major truck stop merchant relationships or failure to continue such relationships on similar terms could adversely affect our ability to serve our over-the-road fuel card customers and our business and operating results.

A decline in general economic conditions, and in particular, a decline in demand for fuel and other business related products and services would adversely affect our business, operating results and financial condition.

Our operating results are materially affected by conditions in the economy generally, both in the United States and internationally. We generate revenue based in part on the volume of purchase transactions we process. Our transaction volume is correlated with general economic conditions, particularly in the United States, Europe, Russia, Latin America, Australia and New Zealand, and the amount of business activity in economies in which we operate. Downturns in these economies are generally characterized by reduced commercial activity and, consequently, reduced purchasing of fuel and other business related products and services by our customers. The commercial payments industry in general, and our commercial payment solutions business specifically, depends heavily upon the overall level of spending. Unfavorable changes in economic conditions, including declining consumer confidence, inflation, recession, or other changes, may lead our corporate customers to reduce their spending, resulting in reduced demand for, or use of, our products and services. In addition, unfavorable changes in economic conditions, may lead our fleet card customers to demand less fuel, or lead our partners to reduce their use of our products and services. As a result, a

sustained deterioration in general economic conditions in the United States or abroad, could have a material adverse effect on our revenue and profitability.

Table of Contents

Further, economic conditions also may impact the ability of our customers or partners to pay for fuel or other services they have purchased and, as a result, our reserve for credit losses and write-offs of accounts receivable could increase. A weakening economy could also force some retailers and merchants to close, resulting in exposure to potential credit losses and transaction declines. In addition, demand for fuel and other business related products and services may be reduced by other factors that are beyond our control, such as the development and use of vehicles with greater fuel efficiency and alternative fuel sources.

We are unable to predict the likely duration of the ongoing sluggish economic conditions in the United States, Europe, Russia, Latin America, Australia and New Zealand. As a result, continued weakness in general economic conditions or increases in interest rates in key countries in which we operate, could adversely affect our business and operating results.

We have expanded into new lines of business in the past and may do so in the future. If we are unable to successfully integrate these new businesses, our results of operations and financial condition may be adversely affected.

We have expanded our business to encompass new lines of business in the past. For example, within the past five years we have entered into the corporate payments, stored value card, vehicle maintenance management and telematics business in the United States and Europe, and transaction processing, fuel, food, toll and transportation card and voucher businesses in Brazil and Mexico. We may continue to enter new lines of business and offer new products and services in the future. There is no guarantee that we will be successful in integrating these new lines of business into our operations. If we are unable to do so, our operating results and financial condition may be adversely affected.

If we fail to develop and implement new technology, products and services, adapt our products and services to changes in technology, the marketplace requirements, or if our ongoing efforts to upgrade our technology, products and services are not successful, we could lose customers and partners.

The markets for our products and services are highly competitive, and characterized by technological change, frequent introduction of new products and services and evolving industry standards. We must respond to the technological advances offered by our competitors and the requirements of our customers and partners, in order to maintain and improve upon our competitive position and fulfill contractual obligations. We may be unsuccessful in expanding our technological capabilities and developing, marketing or selling new products and services that meet these changing demands, which could jeopardize our competitive position. In addition, we engage in significant efforts to upgrade our products and services and the technology that supports these activities on a regular basis.

The products we deliver are designed to process complex transactions and provide reports and other information on those transactions, all at high volumes and processing speeds. Any failure to deliver an effective and secure product or service or any performance issue that arises with a new product or service could result in significant processing or reporting errors or other losses. We may rely on third parties to develop or co-develop our solutions, or to incorporate our solutions into broader platforms for the commercial payments industry. We may not be able to enter into such relationships on attractive terms, or at all, and these relationships may not be successful. In addition, partners, some of whom may be our competitors or potential competitors, may choose to develop competing solutions on their own or with third parties. Even if we are successful in developing new services and technologies, these new services and technologies may not achieve broad acceptance due to a variety of factors, including a lack of industry-wide standards, competing products and services, or resistance to these changes from our customers. In addition, we may not be able to derive revenue from these efforts.

If we are unsuccessful in completing the migration of material technology, otherwise upgrading our products and services and supporting technology or completing or gaining market acceptance of new technology, products and services, it would have a material adverse effect on our ability to retain existing customers and attract new ones in the impacted business line.

Table of Contents

Our debt obligations, or our incurrence of additional debt obligations, could limit our flexibility in managing our business and could materially and adversely affect our financial performance.

At December 31, 2015, we had approximately \$2.94 billion of debt outstanding under our Credit Facility and Securitization Facility. In addition, we are permitted under our credit agreement to incur additional indebtedness, subject to specified limitations. Our substantial indebtedness currently outstanding, or as may be outstanding if we incur additional indebtedness, could have important consequences, including the following:

we may have difficulty satisfying our obligations under our debt facilities and, if we fail to satisfy these obligations, an event of default could result;

we may be required to dedicate a substantial portion of our cash flow from operations to required payments on our indebtedness, thereby reducing the availability of cash flow for acquisitions, working capital, capital expenditures and other general corporate activities. See Management's Discussion and Analysis of Financial Condition and Results of Operations Contractual Obligations, which sets forth our payment obligations with respect to our existing long-term debt;

covenants relating to our debt may limit our ability to enter into certain contracts or to obtain additional financing for acquisitions, working capital, capital expenditures and other general corporate activities;

covenants relating to our debt may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, including by restricting our ability to make strategic acquisitions;

we may be more vulnerable than our competitors to the impact of economic downturns and adverse developments in the industry in which we operate;

we are exposed to the risk of increased interest rates because certain of our borrowings are subject to variable rates of interest;

although we have no current intention to pay any dividends, we may be unable to pay dividends or make other distributions with respect to your investment; and

we may be placed at a competitive disadvantage against any less leveraged competitors. The occurrence of one or more of these potential consequences could have a material adverse effect on our business, financial condition, operating results, and ability to satisfy our obligations under our indebtedness.

In addition, we and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although our credit agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to

a number of significant qualifications and exceptions, and under certain circumstances, the amount of additional indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our existing debt levels, the related risks that we will face would increase.

We meet a significant portion of our working capital needs through a securitization facility, which we must renew every three years.

We meet a significant portion of our working capital needs through a securitization facility, pursuant to which we sell accounts receivable to a special-purpose entity that in turn sells undivided participation interests in the accounts receivable to certain purchasers, who finance their purchases through the issuance of short-term commercial paper. The securitization facility has a three year term. Although we have been able to renew our securitization facility annually in the past, there can be no assurance that we will continue to be able to renew this facility in the future on terms acceptable to us. For example, the market for commercial paper experienced significant volatility during the financial crisis that began in 2008.

Table of Contents

Also, a significant rise in fuel prices could cause our accounts receivable to increase beyond the capacity of the securitization facility. There can be no assurance that the size of the facility can be expanded to meet these increased working capital needs. Further, we may not be able to fund such increases in accounts receivable with our available cash resources. Our inability to meet working capital needs could adversely affect our financial condition and business, including our relationships with merchants, customers and partners. Further, we are exposed to the risk of increased interest rates because our borrowings under the securitization facility are subject to variable rates of interest.

We are subject to risks related to volatility in foreign currency exchange rates, and restrictions on our ability to utilize revenue generated in foreign currencies.

As a result of our foreign operations, we are subject to risks related to changes in currency rates for revenue generated in currencies other than the U.S. dollar. For the year ended December 31, 2015, approximately 28% of our revenue was denominated in currencies other than the U.S. dollar (primarily, British pound, Brazilian real, Russian ruble, Mexican peso, Czech koruna, Euro, Australian dollar and New Zealand dollar). Revenue and profit generated by international operations may increase or decrease compared to prior periods as a result of changes in foreign currency exchange rates. Resulting exchange gains and losses are included in our net income. Volatility in foreign currency exchange rates may materially adversely affect our operating results and financial condition.

Furthermore, we are subject to exchange control regulations that restrict or prohibit the conversion of more than a specified amount of our foreign currencies into U.S. dollars, and, as we continue to expand, we may become subject to further exchange control regulations that limit our ability to freely utilize and transfer currency in and out of particular jurisdictions. These restrictions may make it more difficult to effectively utilize the cash generated by our operations and may adversely affect our financial condition.

We expect to continue our expansion through acquisitions, which may divert our management's attention and result in unexpected operating difficulties, increased costs and dilution to our stockholders. We also may never realize the anticipated benefits of the acquisitions.

We have been an active business acquirer in the United States and internationally, and, as part of our growth strategy, we expect to seek to acquire businesses, commercial account portfolios, technologies, services and products in the future. We have substantially expanded our overall business, customer base, headcount and operations through acquisitions. The acquisition and integration of each business involves a number of risks and may result in unforeseen operating difficulties and expenditures in assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired business. Furthermore, acquisitions may:

involve our entry into geographic or business markets in which we have little or no prior experience;

involve difficulties in retaining the customers of the acquired business;

involve difficulties and expense associated with regulatory requirements, competition controls or investigations;

result in a delay or reduction of sales for both us and the business we acquire; and

disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our current business.

In addition, international acquisitions often involve additional or increased risks including, for example:

difficulty managing geographically separated organizations, systems and facilities;

difficulty integrating personnel with diverse business backgrounds, languages and organizational cultures;

difficulty and expense introducing our corporate policies or controls;

Table of Contents

increased expense to comply with foreign regulatory requirements applicable to acquisitions;

difficulty entering new foreign markets due to, among other things, lack of customer acceptance and a lack of business knowledge of these new markets; and

political, social and economic instability.

To complete future acquisitions, we may determine that it is necessary to use a substantial amount of our cash or engage in equity or debt financing. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our common stock. Any debt financing obtained by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters that make it more difficult for us to obtain additional capital in the future and to pursue other business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all, which could limit our ability to engage in acquisitions. Moreover, we can make no assurances that the anticipated benefits of any acquisition, such as operating improvements or anticipated cost savings, would be realized or that we would not be exposed to unexpected liabilities in connection with any acquisition.

Further, an acquisition may negatively affect our operating results because it may require us to incur charges and substantial debt or other liabilities, may cause adverse tax consequences, substantial depreciation and amortization or deferred compensation charges, may require the amortization, write-down or impairment of amounts related to deferred compensation, goodwill and other intangible assets, may include substantial contingent consideration payments or other compensation that reduce our earnings during the quarter in which incurred, or may not generate sufficient financial return to offset acquisition costs.

We conduct a significant portion of our business in foreign countries and we expect to expand our operations into additional foreign countries where we may be adversely affected by operational and political risks that are greater than in the United States.

We have foreign operations in, or provide services for commercial card accounts in Australia, Austria, Azerbaijan, Belarus, Belgium, Botswana, Brazil, Bulgaria, Canada, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Ireland, Italy, Kazakhstan, Latvia, Lithuania, Luxembourg, Macau, Malaysia, Mexico, Moldova, Mongolia, Morocco, the Netherlands, New Zealand, Norway, Papua New Guinea, Philippines, Poland, Portugal, Romania, Russia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, the United Kingdom, and Ukraine. We also expect to seek to expand our operations into various countries in Asia, Europe and Latin America as part of our growth strategy.

Some of the countries where we operate, and other countries where we will seek to operate, specifically Russia, Brazil and Mexico, have undergone significant political, economic and social change in recent years, and the risk of unforeseen changes in these countries may be greater than in the United States. For example, Russia and the Ukraine are experiencing significant unrest, which could escalate into broader armed conflict and additional economic sanctions by the U.S., United Nations or other countries against Russia. In addition, changes in laws or regulations, including with respect to payment service providers, taxation, information technology, data transmission and the Internet, or in the interpretation of existing laws or regulations, whether caused by a change in government or otherwise, could materially adversely affect our business, operating results and financial condition. In addition, conducting and expanding our international operations subjects us to other risks that we do not generally face in the United States. These include:

difficulties in managing the staffing of our international operations, including hiring and retaining qualified employees;

difficulties and increased expense introducing corporate policies and controls in our international operations;

Table of Contents

increased expense related to localization of our products and services, including language translation and the creation of localized agreements;

potentially adverse tax consequences, including the complexities of foreign value added tax systems, restrictions on the repatriation of earnings and changes in tax rates;

increased expense to comply with foreign laws and legal standards, including laws that regulate pricing and promotion activities and the import and export of information technology, which can be difficult to monitor and are often subject to change;

increased expense to comply with U.S. laws that apply to foreign operations, including the Foreign Corrupt Practices Act and Office of Foreign Assets Control regulations;

increased expense to comply with U.K. laws that apply to foreign operations, including the U.K. Bribery Act;

longer accounts receivable payment cycles and difficulties in collecting accounts receivable;

increased financial accounting and reporting burdens and complexities;

political, social and economic instability;

terrorist attacks and security concerns in general; and

reduced or varied protection for intellectual property rights and cultural norms in some geographies that are simply not respectful of intellectual property rights.

The occurrence of one or more of these events could negatively affect our international operations and, consequently, our operating results. Further, operating in international markets requires significant management attention and financial resources. Due to the additional uncertainties and risks of doing business in foreign jurisdictions, international acquisitions tend to entail risks and require additional oversight and management attention that are typically not attendant to acquisitions made within the United States. We cannot be certain that the investment and additional resources required to establish, acquire or integrate operations in other countries will produce desired levels of revenue or profitability.

We are dependent on the efficient and uninterrupted operation of interconnected computer systems, telecommunications, data centers and call centers, including technology and network systems managed by multiple third parties, which could result in our inability to prevent disruptions in our services.

Our ability to provide reliable service to customers, cardholders and other network participants depends upon uninterrupted operation of our data centers and call centers as well as third party labor and services providers. Our business involves processing large numbers of transactions, the movement of large sums of money and management of large amounts of data. We rely on the ability of our employees, contractors, suppliers, systems and processes to complete these transactions in a secure, uninterrupted and error-free manner.

Our subsidiaries operate in various countries and country specific factors, such as power availability, telecommunications carrier redundancy, embargos and regulation can adversely impact our information processing by or for our local subsidiaries.

We engage backup facilities for each of our processing centers for key systems and data. However, there could be material delays in fully activating backup facilities depending on the nature of the breakdown, security breach or catastrophic event (such as fire, explosion, flood, pandemic, natural disaster, power loss, telecommunications failure or physical break-in). We have controls and documented measures to mitigate these risks but in any event these mitigating controls might not reduce the duration, scope or severity of an outage in time to avoid adverse effects.

Table of Contents

We may experience software defects, system errors, computer viruses and development delays, which could damage customer relationships, decrease our profitability and expose us to liability.

Our products and services are based on proprietary and third-party network technology and processing systems that may encounter development delays and could be susceptible to undetected errors, viruses or defects. Development delays, system errors, viruses or defects that result in service interruption or data loss could have a material adverse effect on our business, damage our reputation and subject us to third-party liability. In addition, errors, viruses and defects in our network technology and processing systems could result in additional development costs and the diversion of our technical and other resources from other development efforts or operations. Further, our attempts to limit our potential liability, through disclaimers and limitation-of-liability provisions in our agreements, may not be successful.

We may incur substantial losses due to fraudulent use of our payment cards or vouchers.

Under certain circumstances, when we fund customer transactions, we may bear the risk of substantial losses due to fraudulent use of our payment cards or vouchers. We do not maintain insurance to protect us against such losses. We bear similar risk relating to fraudulent acts of employees or contractors, for which we maintain insurance. However, the conditions or limits of coverage may be insufficient to protect us against such losses.

Criminals are using increasingly sophisticated methods to engage in illegal activities involving financial products, such as skimming and counterfeiting payment cards and identity theft. A single significant incident of fraud, or increases in the overall level of fraud, involving our cards and other products and services, could result in reputational damage to us, which could reduce the use and acceptance of our cards and other products and services or lead to greater regulation that would increase our compliance costs. Fraudulent activity could also result in the imposition of regulatory sanctions, including significant monetary fines, which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to adequately protect the data we collect, 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 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.

Because techniques used to obtain unauthorized access or to sabotage systems 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. 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. Any of these developments could have a material adverse effect on our business, operating results and financial condition.

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. 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

Table of Contents

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.

The market for our commercial payment, fleet and stored value card services is evolving and may not continue to develop or grow.

A substantial portion of our revenue is based on the volume of payment card transactions by our customers. If businesses do not continue to use, or increase their use of, credit, debit or stored value cards as a payment mechanism for their transactions, it could have a material adverse effect on our business, financial condition and results of operations. We believe that future growth in the use of credit, debit and stored value cards and other electronic payments will be driven by the cost, ease-of-use, and quality of services offered. In order for us to consistently increase and maintain profitability, businesses must continue to use and increase the use of electronic payment methods, including credit, debit and stored value cards. Moreover, if there is an adverse development in the payments industry in general, such as new legislation or regulation that makes it more difficult for customers to do business, or a well-publicized data security breach that undermines the confidence of the public in electronic payment systems, it could have a material adverse effect on our business, financial condition and results of operations.

Our fleet card businesses rely on the acceptance and use of payment cards by businesses to purchase fuel for their vehicle fleets. If the use of fleet cards by businesses does not continue to grow, it could have a material adverse effect on our business, operating results and financial condition. In order to consistently increase and maintain our profitability, businesses and partners must continue to adopt our services. Similarly, growth in the acceptance and use of fleet cards will be impacted by the acceptance and use of electronic payment transactions generally.

Furthermore, new technologies may displace credit, debit and/or stored value cards as payment mechanisms for purchase transactions by businesses. A decline in the acceptance and use of credit, debit and/or stored value cards, and electronic payment transactions generally, by businesses and merchants could have a material adverse effect on our business, operating results and financial condition. The market for our lodging cards, food vouchers and cards, transportation and toll road payments, telematics solutions and fleet maintenance management services is also evolving and those portions of our business are subject to similar risks.

If we fail to retain any of our stored value gift card customers, it will be difficult to find a replacement customer on a timely basis or at all, which will reduce our revenue.

Most of our stored value gift card customers in the United States are national retailers. During 2015, a majority of our gift card revenue was derived from the design and purchase of gift card inventory, with the remaining portion of our 2015 gift card revenue derived primarily from processing fees. If we fail to retain any of these customers, it will be difficult to find a replacement customer on a timely basis or at all because there is a limited number of national retailers in the United States and nearly all of those other national retailers already have a gift card solution in place, either in-house or with one of our competitors. As such, any loss of a stored value gift card customer would reduce our revenue.

Adverse weather conditions across a geographic region can cause a decline in the number and amount of payment transactions we process, which could have a material adverse effect on our business, financial condition and results of operations.

When travel is severely curtailed across a geographic region during adverse weather conditions, the number and amount of transactions we process can be significantly diminished, particularly in our fleet business, and revenue can

materially decline. For example, during parts of January 2014, severe winter weather shut down a large portion of the eastern United States. Prolonged adverse weather events, especially those that impact regions in which we process a large number and amount of payment transactions, could have a material adverse effect on our business, financial condition and results of operations.

Table of Contents

Our fuel card, workforce payment solutions and gift card businesses results are subject to seasonality, which could result in fluctuations in our quarterly net income.

Our fuel card and workforce payment solutions businesses have experienced in the past, and expect to continue to experience, seasonal fluctuations in revenues and profit, which are impacted during the first and fourth quarter each year by the weather, holidays in the U.S., Christmas being celebrated in Russia in January, and lower business levels in Brazil due to summer break and the Carnival celebration. Our gift card business has experienced in the past, and expects to continue to experience, seasonal fluctuations in revenues as a result of consumer spending patterns. Historically gift card business revenues have been strongest in the third and fourth quarters and weakest in the first and second quarters, as the retail industry has its highest level of activity during and leading up to the Christmas holiday season.

Our balance sheet includes significant amounts of goodwill and intangible assets. The impairment of a significant portion of these assets would negatively affect our financial results.

Our balance sheet includes goodwill and intangible assets that represent approximately 73% of our total assets at December 31, 2015. These assets consist primarily of goodwill and identified intangible assets associated with our acquisitions. We also expect to engage in additional acquisitions, which may result in our recognition of additional goodwill and intangible assets. Under current accounting standards, we are required to amortize certain intangible assets over the useful life of the asset, while goodwill and indefinite lived intangible assets are not amortized. On at least an annual basis, we assess whether there have been impairments in the carrying value of goodwill and indefinite lived intangible assets. If the carrying value of the asset is determined to be impaired, it is written down to fair value by a charge to operating earnings. An impairment of a significant portion of goodwill or intangible assets could materially negatively affect our operating results and financial condition.

If we are unable to protect our intellectual property rights and confidential information, our competitive position could be harmed and we could be required to incur significant expenses in order to enforce our rights.

To protect our proprietary technology, we rely on copyright, trade secret, patent and other intellectual property laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. Despite our precautions, it may be possible for third parties to obtain and use without consent confidential information or infringe on our intellectual property rights, and our ability to police that misappropriation or infringement is uncertain, particularly in countries outside of the United States. In addition, our confidentiality agreements with employees, vendors, customers and other third parties may not effectively prevent disclosure or use of proprietary technology or confidential information and may not provide an adequate remedy in the event of such unauthorized use or disclosure.

Protecting against the unauthorized use of our intellectual property and confidential information is expensive, difficult and not always possible. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our confidential information, including trade secrets, or to determine the validity and scope of the proprietary rights of others. This litigation could be costly and divert management resources, either of which could harm our business, operating results and financial condition. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property and proprietary information.

We cannot be certain that the steps we have taken will prevent the unauthorized use or the reverse engineering of our proprietary technology. Moreover, others may independently develop technologies that are competitive to ours or infringe our intellectual property. The enforcement of our intellectual property rights also depends on our legal actions against these infringers being successful, and we cannot be sure these actions will be successful, even when our rights have been infringed. Furthermore, effective patent, trademark, service mark, copyright and trade secret protection may

not be available in every country in which we may offer our products and services.

Table of Contents

Claims by others that we or our customers infringe their intellectual property rights could harm our business.

Third parties have in the past, and could in the future claim that our technologies and processes underlying our products and services infringe their intellectual property. In addition, to the extent that we gain greater visibility, market exposure, and add new products and services, we may face a higher risk of being the target of intellectual property infringement claims asserted by third parties. We may, in the future, receive notices alleging that we have misappropriated or infringed a third party's intellectual property rights. There may be third-party intellectual property rights, including patents and pending patent applications that cover significant aspects of our technologies, processes or business methods. Any claims of infringement or misappropriation by a third party, even those without merit, could cause us to incur substantial defense costs and could distract our management from our business, and there can be no assurance that we will be able to prevail against such claims. Some of our competitors may have the capability to dedicate substantially greater resources to enforcing their intellectual property rights and to defending claims that may be brought against them than we do. Furthermore, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages, potentially including treble damages if we are found to have willfully infringed a patent. A judgment could also include an injunction or other court order that could prevent us from offering our products and services. In addition, we might be required to seek a license for the use of a third party's intellectual property, which may not be available on commercially reasonable terms or at all. Alternatively, we might be required to develop non-infringing technology, which could require significant effort and expense and might ultimately not be successful.

Third parties may also assert infringement claims against our customers relating to their use of our technologies or processes. Any of these claims might require us to defend potentially protracted and costly litigation on their behalf, regardless of the merits of these claims, because under certain conditions we agree to indemnify our customers from third-party claims of intellectual property infringement. If any of these claims succeed, we might be forced to pay damages on behalf of our customers, which could adversely affect our business, operating results and financial condition.

Finally, we use open source software in connection with our technology and services. Companies that incorporate open source software into their products have, from time to time, faced claims challenging the ownership of open source software. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software. Open source software is also provided without warranty, and may therefore include bugs, security vulnerabilities or other defects. Some open source software licenses require users of such software to publicly disclose all or part of the source code to their software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. While we monitor the use of open source software in our technology and services and try to ensure that none is used in a manner that would require us to disclose the source code to the related technology or service, such use could inadvertently occur and any requirement to disclose our proprietary source code could be harmful to our business, financial condition and results of operations.

Our success is dependent, in part, upon our executive officers and other key personnel, and the loss of key personnel could materially adversely affect our business.

Our success depends, in part, on our executive officers and other key personnel. Our senior management team has significant industry experience and would be difficult to replace. The market for qualified individuals is competitive, and we may not be able to attract and retain qualified personnel or candidates to replace or succeed members of our senior management team or other key personnel. The loss of key personnel could materially adversely affect our business.

Changes in laws, regulations and enforcement activities may adversely affect our products and services and the markets in which we operate.

The electronic payments industry is subject to increasing regulation in the United States and internationally. Domestic and foreign government regulations impose compliance obligations on us and restrictions on our operating activities, which can be difficult to administer because of their scope, mandates and varied

Table of Contents

requirements. We are subject to a number of government regulations, including, among others: interest rate and fee restrictions; credit access and disclosure requirements; collection and pricing regulations; compliance obligations; security and data breach requirements; identity theft avoidance programs; and anti-money laundering compliance programs. Government regulations can also include licensing or registration requirements. While a large portion of these regulations focuses on individual consumer protection, legislatures continue to consider whether to include business customers within the scope of these regulations. As a result, new or expanded regulation focusing on business customers or changes in interpretation or enforcement of regulations may have an adverse effect on our business and operating results, due to increased compliance costs and new restrictions affecting the terms under which we offer our products and services.

For example, certain of our subsidiaries are currently licensed as money transmitters on the state level by the banking departments or other state agencies of numerous states. Continued licensing by these states is subject to periodic examinations and ongoing satisfaction of compliance requirements regarding safety and soundness, including maintenance of certain levels of net worth, surety bonding, permissible investments in amounts sufficient to cover our outstanding payment obligations with respect to certain of our products subject to licensure, and record keeping and reporting. If our subsidiaries are unable to obtain, maintain or renew necessary licenses or comply with other relevant state regulations, they will not be able to operate as a money transmitter in those states or provide certain other services and products, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, certain of our subsidiaries are subject to regulation by the Financial Crimes Enforcement Network, or FinCEN, and must comply with applicable anti-money laundering requirements, including implementation of an effective antimoney laundering program. Changes in this regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government, may significantly affect or change the manner in which we currently conduct some aspects of our business.

Regulatory changes may also restrict or eliminate present and future business opportunities available to certain of our subsidiaries. For example, the Durbin Amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which serves to limit interchange fees may restrict or otherwise impact the way our subsidiaries do business or limit their ability to charge certain fees to customers. The CFPB is also engaged in rule making and regulation of the payments industry, in particular with respect to prepaid cards. The CFPB's focus on the protection of consumers might also extend to many of our small business customers. As a service provider to certain of our bank sponsors, we are subject to direct supervision and examination by the CFPB, in connection with certain of our products and services. CFPB rules, examinations and enforcement actions may require us to adjust our activities and may increase our compliance costs. Changing regulations or standards in the area of privacy and data protection could also adversely impact us. In addition, certain of our bank partners are subject to regulation by federal and state authority and, as a result, could pass through some of those compliance obligations to us.

Our business is subject to U.S. federal anti-money laundering laws and regulations, including the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, which we refer to collectively as the BSA. Our business in Canada is also subject to Proceeds of Crime (Money Laundering) and Terrorist Financing Act, or the PCTFA, which is a corollary to the BSA. The BSA, among other things, requires money services businesses (such as money transmitters, issuers of money orders and official checks and providers of prepaid access) to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity and maintain transaction records. The PCTFA imposes similar requirements.

Many of these laws and regulations are evolving, unclear and inconsistent across various jurisdictions, and ensuring compliance with them is difficult and costly. With increasing frequency, federal and state regulators are holding

businesses like ours to higher standards of training, monitoring and compliance, including monitoring for possible violations of laws by our customers and people who do business with our customers while using our products. If we fail or are unable to comply with existing or changed government regulations in a timely and

Table of Contents

appropriate manner, we may be subject to injunctions, other sanctions and the payment of fines and penalties, and our reputation may be harmed, which could have a material adverse effect on our business, financial condition and results of operations.

Our partner banks also operate in a highly regulated industry, which recently has been the subject of extensive structural reforms that are expected to negatively affect the conduct and scope of their businesses, their ability to maintain or expand offerings of products and services, and the costs of their operations. These legislative and regulatory changes could prompt our partner banks to alter the extent or the terms of their dealings with us in ways that may have adverse consequences for our business.

In addition, we have endeavored to structure our businesses in accordance with existing tax laws and interpretations, including those related to state occupancy taxes, value added taxes in foreign jurisdictions, payroll taxes and restrictions on repatriation of funds or transfers of revenue between jurisdictions. Changes in tax laws, their interpretations or their enforcement could increase our tax liability, further limit our utilization of funds located in foreign jurisdictions and have a material adverse effect on our business and financial condition.

Governmental regulations designed to protect or limit access to personal information could adversely affect our ability to effectively provide our services.

Governmental bodies in the United States and abroad have adopted, or are considering the adoption of, laws and regulations restricting the transfer of, and requiring safeguarding of, non-public personal information. For example, in the United States, all financial institutions must undertake certain steps to ensure the privacy and security of consumer financial information. In connection with providing services to our clients, we are required by regulations and arrangements with payment networks, our sponsor bank and certain clients to provide assurances regarding the confidentiality and security of non-public consumer information. These arrangements require periodic audits by independent companies regarding our compliance with industry standards such as payment card industry, or PCI, standards and also allow for similar audits regarding best practices established by regulatory guidelines. The compliance standards relate to our infrastructure, components, and operational procedures designed to safeguard the confidentiality and security of non-public consumer personal information received from our customers. Our ability to maintain compliance with these standards and satisfy these audits will affect our ability to attract and maintain business in the future. If we fail to comply with these regulations, we could be exposed to suits for breach of contract or to governmental proceedings. In addition, our client relationships and reputation could be harmed, and we could be inhibited in our ability to obtain new clients. If more restrictive privacy laws or rules are adopted by authorities in the future on the federal or state level, our compliance costs may increase, our opportunities for growth may be curtailed by our compliance capabilities or reputational harm and our potential liability for security breaches may increase, all of which could have a material adverse effect on our business, financial condition and results of operations.

Unfavorable resolution of tax contingencies or changes to enacted tax rates could adversely affect our tax expense and results of operations.

Our tax returns and positions are subject to review and audit by federal, state, local, and international taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby negatively impacting our results of operations. We have established contingent liabilities for material known tax exposures relating to deductions, transactions and other matters involving some uncertainty as to the proper tax treatment of the item. These liabilities reflect what we believe to be reasonable assumptions as to the likely final resolution of each issue if raised by a taxing authority. There can be no assurance that, in all instances, an issue raised by a tax authority will be finally resolved at a financial cost less than any related liability. An unfavorable resolution, therefore, could negatively impact our financial position, operating results and cash flows in the current and/or future periods.

Our acquisition documents include warranties, covenants and conditions regarding various tax matters that occurred prior to the acquisition, supported by indemnification and, in some cases, holdbacks or escrows from

Table of Contents

the sellers. The obligations of the sellers are also generally subject to various limitations. In the event of a tax claim related to a pre-acquisition tax year, we would seek to recover costs and losses from the sellers under the acquisition agreement. However, there is no assurance that any indemnification, holdback or escrow would be sufficient or that we would recover such costs or losses, which could negatively impact our financial position, operating results and cash flows in the current and/or future periods.

We record deferred income taxes to reflect the impact of temporary differences between the amounts of assets and liabilities for financial accounting and income tax purposes. Deferred income taxes are determined using enacted tax rates. Changes in enacted tax rates may negatively impact our operating results.

We generate a portion of our revenue from our lodging card business, which is affected by conditions in the hotel industry generally and has a concentration of customers in the railroad and trucking industries.

Our lodging card business earns revenue from customers purchasing lodging from the hotel industry and derives a significant portion of this revenue from end users in the railroad and trucking industries. Therefore, we are exposed to risks affecting each of these industries. For example, unfavorable economic conditions adversely impacting the hotel, railroad and trucking industries generally could cause a decrease in demand for our products and services in our lodging card business, resulting in decreased revenue, or increased credit risk and related losses, resulting in increased expenses. In addition, mergers or consolidations in these industries could reduce our customer and partnership base, resulting in a smaller market for our products and services.

We contract with government entities and are subject to risks related to our governmental contracts.

In the course of our business we contract with domestic and foreign government entities, including state and local government customers, as well as federal government agencies. As a result, we are subject to various laws and regulations that apply to companies doing business with federal, state and local governments. The laws relating to government contracts differ from other commercial contracting laws and our government contracts may contain pricing terms and conditions that are not common among commercial contracts. In addition, we may be subject to investigation from time to time concerning our compliance with the laws and regulations relating to our government contracts. Our failure to comply with these laws and regulations may result in suspension of these contracts or administrative or other penalties.

Litigation and regulatory actions could subject us to significant fines, penalties or requirements resulting in increased expenses.

We are subject to claims and a number of judicial and administrative proceedings considered normal in the course of our current and past operations, including employment-related disputes, contract disputes, intellectual property disputes, government audits and proceedings, customer disputes and tort claims. Responding to such claims may be difficult and expensive, and we may not prevail. In some proceedings, the claimant seeks damages as well as other relief, which, if granted, would require expenditures on our part or changes in how we conduct business. There can be no certainty that we will not ultimately incur charges in excess of presently established or future financial accruals or insurance coverage, or that we will prevail with respect to such proceedings. Regardless of whether we prevail or not, such litigation could have a material adverse effect on our business, financial condition and results of operations. From time to time, we have had inquiries from regulatory bodies and administrative agencies relating to the operation of our business. Such inquiries may result in various audits, reviews and investigations, which can be time consuming and expensive. An adverse outcome of any investigation by, or other inquiries from, such bodies or agencies could have a material adverse effect on us and result in the institution of administrative or civil proceedings, sanctions and the payment of fines and penalties, changes in personnel, and increased review and scrutiny by customers, regulatory

authorities, the media and others, which could have a material adverse effect on our business, financial condition and results of operations. For more information about our judicial and other proceedings, see [Business Legal Proceedings](#).

Table of Contents

Our revenues from MasterCard cards are dependent upon our continued MasterCard registration and financial institution sponsorship. If we fail to comply with the applicable requirements of MasterCard, it could seek to fine us, suspend us or terminate our registrations through our financial institution sponsors.

A significant source of our revenue comes from processing transactions through the MasterCard networks. In order to offer MasterCard programs to our customers, one of our subsidiaries is registered as a member service provider with MasterCard through sponsorship by MasterCard member banks in both the United States and Canada. Registration as a service provider is dependent upon our being sponsored by member banks. If our sponsor banks should stop providing sponsorship for us or determine to provide sponsorship on materially less favorable terms, we would need to find other financial institutions to provide those services or we would need to become a MasterCard member, either of which could prove to be difficult and expensive. Even if we pursue sponsorship by alternative member banks, similar requirements and dependencies would likely still exist. In addition, MasterCard routinely updates and modifies its requirements. Changes in the requirements may make it significantly more expensive for us to provide these services. If we do not comply with MasterCard requirements, it could seek to fine us, suspend us or terminate our registration, which allows us to process transactions on its networks. The termination of our registration, or any changes in the payment network rules that would impair our registration, could require us to stop providing MasterCard payment processing services. If we are unable to find a replacement financial institution to provide sponsorship or become a member, we may no longer be able to provide such services to the affected customers, which would have a material adverse effect our business, financial condition and results of operations.

Changes in MasterCard interchange fees could decrease our revenue.

A portion of our revenue is generated by network processing fees charged to merchants, known as interchange fees, associated with transactions processed using our MasterCard-branded cards. Interchange fee amounts associated with our MasterCard network cards are affected by a number of factors, including regulatory limits in the United States and Europe and fee changes imposed by MasterCard. In addition, interchange fees are the subject of intense legal and regulatory scrutiny and competitive pressures in the electronic payments industry, which could result in lower interchange fees generally in the future. Temporary or permanent decreases in the interchange fees associated with our MasterCard network card transactions, could adversely affect our business and operating results.

If we are not able to maintain and enhance our brands, it could adversely affect our business, operating results and financial condition.

We believe that maintaining and enhancing our brands is critical to our customer relationships, and our ability to obtain partners and retain employees. The successful promotion of our brands will depend upon our marketing and public relations efforts, our ability to continue to offer high-quality products and services and our ability to successfully differentiate our services from those of our competitors. In addition, future extension of our brands to add new products or services different from our current offerings may dilute our brands, particularly if we fail to maintain our quality standards in these new areas. The promotion of our brands will require us to make substantial expenditures, and we anticipate that the expenditures will increase as our markets become more competitive and we expand into new markets. To the extent that these activities yield increased revenues, this revenue may not offset the expenses we incur. There can be no assurance that our brand promotion activities will be successful.

Failure to comply with the United States Foreign Corrupt Practices Act, and similar laws associated with our international activities, could subject us to penalties and other adverse consequences.

As we continue to expand our business internationally, we may continue to expand into certain foreign countries, particularly those with developing economies, where companies often engage in business practices that are prohibited

by U.S., U.K. and other foreign regulations, including the United States Foreign Corrupt Practices Act, or the FCPA, and the U.K. Bribery Act. The FCPA prohibits improper payments or offers of payments to

Table of Contents

foreign governments and their officials and political parties by U.S. and other business entities for the purpose of obtaining or retaining business. We have implemented policies to discourage such practices; however, there can be no assurances that all of our employees, consultants and agents, including those that may be based in or from countries where practices that violate U.S. laws may be customary, will not take actions in violation of our policies, for which we may be ultimately responsible. Violations of the FCPA or similar laws may result in severe criminal or civil sanctions and, in the U.S., suspension or debarment from U.S. government contracting, which could negatively affect our business, operating results and financial condition.

Risks related to ownership of our common stock

Our stock price could be volatile and our stock could decline in value.

The market price of our common stock may fluctuate substantially as a result of many factors, some of which are beyond our control. Factors that could cause fluctuations in the market price of our common stock include the following:

quarterly variations in our results of operations;

results of operations that vary from the expectations of securities analysts and investors;

results of operations that vary from those of our competitors;

changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;

announcements by us or our competitors of significant contracts, acquisitions, or capital commitments;

announcements by third parties of significant claims or proceedings against us;

regulatory developments in the United States and abroad;

future sales of our common stock, and additions or departures of key personnel; and

general domestic and international economic, market and currency factors and conditions unrelated to our performance.

In addition, the stock market in general has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to operating performance of individual companies. These broad market factors may seriously harm the market price of our common stock, regardless of our operating performance. In the past, following

periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in significant liabilities and, regardless of the outcome, could result in substantial costs and the diversion of our management's attention and resources.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our disclosure controls and procedures are designed to reasonably ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are and will be met. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Table of Contents

Anti-takeover provisions in our charter documents could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

Our corporate documents and the Delaware General Corporation Law contain provisions that may enable our board of directors to resist a change in control of FleetCor even if a change in control were to be considered favorable by you and other stockholders. These provisions:

stagger the terms of our board of directors and require supermajority stockholder voting to remove directors;

authorize our board of directors to issue preferred stock and to determine the rights and preferences of those shares, which may be senior to our common stock, without prior stockholder approval;

establish advance notice requirements for nominating directors and proposing matters to be voted on by stockholders at stockholder meetings;

prohibit our stockholders from calling a special meeting and prohibit stockholders from acting by written consent; and

require supermajority stockholder voting to effect certain amendments to our certificate of incorporation and bylaws.

In addition, Delaware law imposes some restrictions on mergers and other business combinations between any holder of 15% or more of our outstanding voting stock and us. These provisions could discourage, delay or prevent a transaction involving a change in control of FleetCor. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions you desire.

We do not expect to pay any dividends on our common stock for the foreseeable future.

We currently expect to retain all future earnings, if any, for future operation, expansion and debt repayment and have no current plans to pay any cash dividends to holders of our common stock for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our operating results, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, we must comply with the covenants in our credit agreements in order to be able to pay cash dividends, and our ability to pay dividends generally may be further limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur.

ITEM 1B. UNRESOLVED STAFF COMMENTS

We have no unresolved written comments regarding our periodic or current reports from the staff of the SEC.

Table of Contents**ITEM 2. PROPERTIES**

We lease all of the real property used in our business, except as noted below. The following table lists each of our material facilities and its location, use and approximate square footage, at December 31, 2015.

Facility	Use	Approximate size
		<i>Square Feet</i>
<i>United States</i>		
Norcross, Georgia	Corporate headquarters and operations	81,000
Covington, Louisiana	Corporate accounting, treasury and merchant authorization	13,600
Houston, Texas	Credit and collections	6,300
Concord, California	Customer support	7,100
Wichita, Kansas	CLC operations and customer support	31,100
Atlanta, Georgia	NexTraq sales, operations and customer support	36,800
Tampa, Florida	NexTraq sales	8,300
Sunnyvale, California	Telenav sales, operations and customer support	15,100
Salem, Oregon	Pacific Pride sales, operations and customer support	10,000
Brentwood, Tennessee	Comdata sales, operations and customer support	228,000
Nashville, Tennessee	Comdata operations	38,300
Franklin, Tennessee	Comdata warehouse facility	20,100
Louisville, Kentucky	SVS sales, operations and customer support	66,000
Austin, Texas	Comdata operations	4,300
<i>International</i>		
Prague, Czech Republic	CCS headquarters and Shell Europe (Germany, Austria, Poland and Hungary) operations	35,000
Mexico City, Mexico(1)	FleetCor Mexico headquarters and operations	22,500
Moscow, Russia	PPR and NKT headquarters, sales, customer support, operations, credit and collections	16,300
Bryansk, Russia	Sales and marketing	19,900
Ipswich, United Kingdom(1)	Operations, sales and customer support	17,900
Knaresborough, United Kingdom	Operations, sales and customer support	5,100
London, United Kingdom	Europe headquarters	2,800
Swindon, United Kingdom	Allstar and Shell Europe (Belgium, Netherlands and France) operations, sales and customer support	18,300
Walsall, United Kingdom	Operations, sales and customer support	9,500
Birmingham, United Kingdom	EPYX headquarters, sales, operations and customer support	12,500
Sao Paulo, Brazil	CTF and VB Servicios headquarters, sales, customer support and operations	32,300
Osasco, Brazil	CTF and VB Servicios operations	7,100
Rio de Janeiro, Brazil	DB Trans and AExpresso headquarters, sales, operations and customer support	15,300
Auckland, New Zealand	CardLink headquarters, sales, operations and customer support	12,100
Nurnberg, Germany	Shell Europe sales	3,800

(1) We own these facilities.

We also lease a number of minor additional facilities, including local sales and operations offices less than 2,550 square feet, small storage facilities and a small number of service stations in the United Kingdom; which are not included in the above list. We believe our facilities are adequate for our needs for at least the next 12 months. We anticipate that suitable additional or alternative facilities will be available to accommodate foreseeable expansion of our operations.

Table of Contents

ITEM 3. LEGAL PROCEEDINGS

As of the date of this filing, we are not currently party to any legal proceedings or governmental inquiries or investigations that we consider to be material and we were not involved in any material legal proceedings that terminated during the fourth quarter. We are and may become, however, subject to lawsuits from time to time in the ordinary course of our business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Table of Contents**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is traded on the New York Stock Exchange (NYSE) under the symbol FLT. As of December 31, 2015, there were 45 holders of record of our common stock. The table set forth below provides the intraday high and low sales prices per share of our common stock for the four quarters during 2015 and 2014.

	High	Low
2015:		
First Quarter	\$ 158.45	\$ 135.73
Second Quarter	165.67	149.75
Third Quarter	164.61	135.16
Fourth Quarter	157.97	134.55
2014:		
First Quarter	\$ 130.57	\$ 101.69
Second Quarter	133.73	108.75
Third Quarter	148.60	128.64
Fourth Quarter	156.05	123.44

DIVIDENDS AND SHARE REPURCHASES

We currently expect to retain all future earnings, if any, for use in the operation and expansion of our business. We have never declared or paid any dividends on our common stock and do not anticipate paying cash dividends to holders of our common stock in the foreseeable future. In addition, our credit agreements restrict our ability to pay dividends. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and covenants in our existing financing arrangements and any future financing arrangements.

On February 4, 2016, our Board of Directors approved a stock repurchase program under which we may begin purchasing up to \$500 million of its common stock over the next 18 months. Any stock repurchases may be made at times and in such amounts as we deem appropriate. The timing and amount of stock repurchase, if any, will depend on a variety of factors including the stock price, market conditions, corporate and regulatory requirements, and any additional constraints related to material inside information we may possess. The repurchases are expected to be funded by available cash flow from the business and working capital.

PERFORMANCE GRAPH

The following graph assumes \$100 invested on December 15, 2010 (the date our shares first commenced trading), at the closing price (\$27.25) of our common stock on that day, and compares (a) the percentage change of our cumulative total stockholder return on the common stock (as measured by dividing (i) the difference between our share price at the end and the beginning of the period presented by (ii) the share price at the beginning of the periods presented) with (b) (i) the Russell 2000 Index and (ii) the S&P 500® Data Processing & Outsourced Services.

Period Ending	FleetCor Technologies, Inc.	Russell 2000	S&P Data Processing and Outsourced Services
12/15/2010	\$ 100.00	\$ 100.00	\$ 100.00
12/31/2010	\$ 113.47	\$ 101.99	\$ 95.81

Table of Contents

Period Ending	FleetCor Technologies, Inc.	Russell 2000	S&P Data Processing and Outsourced Services
3/31/2011	\$ 119.85	\$ 109.79	\$ 103.76
6/30/2011	\$ 108.77	\$ 107.69	\$ 109.64
9/30/2011	\$ 96.37	\$ 83.84	\$ 101.69
12/31/2011	\$ 109.61	\$ 96.43	\$ 117.84
3/31/2012	\$ 142.28	\$ 108.06	\$ 131.45
6/30/2012	\$ 128.59	\$ 103.92	\$ 134.18
9/30/2012	\$ 164.40	\$ 108.99	\$ 142.48
12/31/2012	\$ 196.88	\$ 110.54	\$ 150.84
3/31/2013	\$ 281.36	\$ 123.84	\$ 169.26
6/30/2013	\$ 298.35	\$ 127.22	\$ 179.29
9/30/2013	\$ 404.26	\$ 139.75	\$ 196.49
12/31/2013	\$ 429.98	\$ 151.44	\$ 228.94
3/31/2014	\$ 422.39	\$ 152.67	\$ 217.93
6/30/2014	\$ 483.67	\$ 155.26	\$ 218.52
9/30/2014	\$ 521.54	\$ 143.38	\$ 221.34
12/31/2014	\$ 545.72	\$ 156.79	\$ 256.74
3/31/2015	\$ 553.83	\$ 163.04	\$ 262.43
6/30/2015	\$ 572.70	\$ 163.20	\$ 265.08
9/30/2015	\$ 505.03	\$ 143.25	\$ 260.96
12/31/2015	\$ 524.51	\$ 147.83	\$ 283.80

RECENT SALES OF UNREGISTERED SECURITIES AND USE OF PROCEEDS

Not Applicable.

Table of Contents**ITEM 6. SELECTED FINANCIAL DATA**

We derived the consolidated statement of income and other financial data for the years ended December 31, 2015, 2014 and 2013 and the selected consolidated balance sheet data as of December 31, 2015 and 2014 from the audited consolidated financial statements included elsewhere in this report. We derived the selected historical financial data for the years ended December 31, 2012 and 2011 and the selected consolidated balance sheets as of December 31, 2013, 2012 and 2011 from our audited consolidated financial statements that are not included in this report.

The selected consolidated financial data set forth below should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements and notes thereto included elsewhere in this report. Our historical results are not necessarily indicative of the results to be expected in any future period.

(in thousands, except per share data)	2015	2014	2013	2012	2011
Consolidated statement of income data:					
Revenues, net	\$ 1,702,865	\$ 1,199,390	\$ 895,171	\$ 707,534	\$ 519,591
Expenses:					
Merchant commissions	108,257	96,254	68,143	58,573	51,199
Processing	331,073	173,337	134,030	115,446	84,516
Selling	109,075	75,527	57,346	46,429	36,606
General and administrative	297,715	205,963	142,283	110,122	84,765
Depreciation and amortization	193,453	112,361	72,737	52,036	36,171
Other operating, net	(4,242)	(29,501)			
Operating income	667,534	565,449	420,632	324,928	226,334
Equity method investment loss	57,668	8,586			
Other expense (income), net	2,523	(700)	602	1,121	(589)
Interest expense, net	71,339	28,856	16,461	13,017	13,377
Loss on early extinguishment of debt		15,764			2,669
Total other expense	131,530	52,506	17,063	14,138	15,457
Income before income taxes	536,004	512,943	403,569	310,790	210,877
Provision for income taxes	173,573	144,236	119,068	94,591	63,542
Net income	\$ 362,431	\$ 368,707	\$ 284,501	\$ 216,199	\$ 147,335
Earnings per share:					
Earnings per share, basic	\$ 3.94	\$ 4.37	\$ 3.48	\$ 2.59	\$ 1.83
Earnings per share, diluted	\$ 3.85	\$ 4.24	\$ 3.36	\$ 2.52	\$ 1.76
Weighted average shares outstanding, basic	92,023	84,317	81,793	83,328	80,610
Weighted average shares outstanding, diluted	94,139	86,982	84,655	85,736	83,654

As of December 31,

(in thousands)	2015	2014	2013	2012	2011
Consolidated balance sheet data:					
Cash and cash equivalents	\$ 447,152	\$ 477,069	\$ 338,105	\$ 283,649	\$ 285,159
Restricted cash(1)	167,492	135,144	48,244	53,674	55,762
Total assets(2)	7,891,868	8,524,701	3,908,717	2,721,870	2,349,169
Total debt	2,937,062	3,593,717	1,486,378	925,092	704,265
Total stockholders equity(2)	2,830,047	2,618,562	1,223,502	913,822	811,436

Table of Contents

- (1) Restricted cash represents customer deposits repayable on demand.
- (2) Revision of Previously Issued Financial Statements We have revised previously reported balances within our Consolidated Balance Sheets as of December 31, 2014 and 2013, to translate these balances using the correct functional currencies. This revision had no effect on our Consolidated Statements of Income or Consolidated Statements of Cash Flows. We do not believe this revision was material to any prior period financial statement. See Footnote 2 to the Consolidated Financial Statements, Summary of Significant Accounting Policies.

Table of Contents

ITEM 7. 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 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 elsewhere in this report. 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.

General Business

FleetCor is a leading independent global provider of fuel cards, commercial payment and data solutions, stored value solutions, and workforce payment products and services to businesses, retailers, commercial fleets, major oil companies, petroleum marketers and government entities in countries throughout North America, South America, Europe, Australia and New Zealand. Our payment programs enable our customers to better manage and control their commercial payments, card programs, and employee spending and provide card-accepting merchants with a high volume customer base that can increase their sales and customer loyalty. We also provide a suite of fleet related and workforce payment solution products, including a mobile telematics service, fleet maintenance management and employee benefit and transportation related payments. In 2015, we processed approximately 1.9 billion transactions on our proprietary networks and third-party networks (which includes approximately 1.3 billion transactions related to our SVS product, acquired with Comdata). We believe that our size and scale, geographic reach, advanced technology and our expansive suite of products, services, brands and proprietary networks contribute to our leading industry position.

We provide our payment products and services in a variety of combinations to create customized payment solutions for our customers and partners. We collectively refer to our suite of product offerings as workforce productivity enhancement products for commercial businesses. We sell a range of customized fleet and lodging payment programs directly and indirectly to our customers through partners, such as major oil companies, leasing companies and petroleum marketers. We refer to these major oil companies, leasing companies, petroleum marketers, value-added resellers (VARs) and other referral partners with whom we have strategic relationships as our partners. We provide our customers with various card products that typically function like a charge card to purchase fuel, lodging, food, toll, transportation and related products and services at participating locations.

We support our products with specialized issuing, processing and information services that enable us to manage card accounts, facilitate the routing, authorization, clearing and settlement of transactions, and provide value-added functionality and data, including customizable card-level controls and productivity analysis tools. In order to deliver our payment programs and services and process transactions, we own and operate proprietary closed-loop networks through which we electronically connect to merchants and capture, analyze and report customized information in North America and internationally. We also use third-party networks to deliver our payment programs and services in order to broaden our card acceptance and use. To support our payment products, we also provide a range of services, such as issuing and processing, as well as specialized information services that provide our customers with value-added functionality and data. Our customers can use this data to track important business productivity metrics, combat fraud and employee misuse, streamline expense administration and lower overall workforce and fleet operating costs. Depending on our customers' and partners' needs, we provide these services in a variety of outsourced solutions ranging from a comprehensive end-to-end solution (encompassing issuing, processing and network services)

to limited back office processing services.

FleetCor's predecessor company was organized in the United States in 1986. In 2000, our current chief executive officer joined us and we changed our name to FleetCor Technologies, Inc. Since 2000, we have grown significantly

Table of Contents

through a combination of organic initiatives, product and service innovation and over 65 acquisitions of businesses and commercial account portfolios. Our corporate headquarters are located in Norcross, Georgia. As of December 31, 2015, we employed approximately 5,330 employees, approximately 2,660 of whom are located in the United States.

Executive Overview

We operate in two segments, which we refer to as our North America and International segments. See Results of Operations for additional segment information.

Our revenue is reported net of the wholesale cost for underlying products and services. In this report, we refer to this net revenue as revenue. For the years ended December 31, 2015, 2014 and 2013, our North America and International segments generated the following revenue:

	Year ended December 31,					
	2015		2014		2013	
(dollars in millions)	Revenues, net	% of total revenues, net	Revenues, net	% of total revenues, net	Revenues, net	% of total revenues, net
North America	\$ 1,232.0	72.3%	\$ 668.3	55.7%	\$ 460.7	51.5%
International	470.9	27.7%	531.1	44.3%	434.5	48.5%
	\$ 1,702.9	100.0%	\$ 1,199.4	100.0%	\$ 895.2	100.0%

Sources of Revenue

Transactions. In both of our segments, we derive revenue from transactions. As illustrated in the diagram below, a transaction is defined as a purchase by a customer. Our customers include holders of our card products and those of our partners, for whom we manage card programs, members of our proprietary networks who are provided access to our products and services and commercial businesses to whom we provide workforce payment productivity solutions. Revenue from transactions is derived from our merchant and network relationships, as well as our customers and partners. Through our merchant and network relationships we primarily offer fuel cards, corporate cards, virtual cards, purchasing cards, T&E cards, gift cards, stored value payroll cards, vehicle maintenance, food, fuel, toll and transportation cards and vouchers or lodging services to our customers.

The following diagram illustrates a typical card transaction flow, but may also be applied to our vehicle maintenance, lodging and food, fuel, toll and transportation card and voucher products, substituting transactions for gallons. This representative model may not include all of our businesses.

Illustrative Transaction Flow

Table of Contents

From our customers and partners, we derive revenue from a variety of program fees, including transaction fees, card fees, network fees and charges, which can be fixed fees, cost plus a mark-up or based on a percentage discount from retail prices. Our programs include other fees and charges associated with late payments and based on customer credit risk.

From our merchant and network relationships, we derive revenue mostly from the difference between the price charged to a customer for a transaction and the price paid to the merchant or network for the same transaction, as well as network fees and charges in certain businesses. As illustrated in the table below, the price paid to a merchant or network may be calculated as (i) the merchant's wholesale cost of the product plus a markup; (ii) the transaction purchase price less a percentage discount; or (iii) the transaction purchase price less a fixed fee per unit.

The following table presents an illustrative revenue model for transactions with the merchant, which is primarily applicable to fuel based product transactions, but may also be applied to our vehicle maintenance, lodging and food, fuel, toll and transportation card and voucher products, substituting transactions for gallons. This representative model may not include all of our businesses.

Illustrative Revenue Model for Fuel Purchases**(unit of one gallon)****Illustrative Revenue Model**

Retail Price		Merchant Payment Methods					
		i) Cost Plus Mark-up:		ii) Percentage Discount:		iii) Fixed Fee:	
Wholesale Cost	\$ (2.86)	Wholesale Cost	\$ 2.86	Retail Price	\$ 3.00	Retail Price	\$ 3.00
		Mark-up	0.05	Discount (3%)	(0.09)	Fixed Fee	(0.09)
FleetCor Revenue	\$ 0.14						
Merchant Commission	\$ (0.05)	Price Paid to Merchant	\$ 2.91	Price Paid to Merchant	\$ 2.91	Price Paid to Merchant	\$ 2.91
Price Paid to Merchant	\$ 2.91						

Set forth below are our sources of revenue for the years ended December 31, 2015, 2014 and 2013, expressed as a percentage of consolidated revenues:

	Year Ended December 31,		
	2015	2014	2013
Revenue from customers and partners	64.8%	54.9%	53.6%
Revenue from merchants and networks	35.2%	45.1%	46.4%
	100.0%	100.0%	100.0%

Edgar Filing: FLEETCOR TECHNOLOGIES INC - Form 10-K

Revenue directly tied to fuel-price spreads ¹	12.4%	16.5%	15.7%
Revenue directly influenced by the absolute price of fuel ¹	15.1%	17.0%	19.6%
Revenue from program fees, late fees, interest and other	72.5%	66.5%	64.7%
	100.0%	100.0%	100.0%

¹ Although we cannot precisely calculate the absolute impact of fuel price spreads and the absolute price of fuel on our consolidated revenues, we believe these percentages approximate their relative impacts.

Table of Contents

Revenue per transaction. Set forth below is revenue per transaction information for the years ended December 31, 2015, 2014 and 2013:

	Year ended December 31,		
	2015	2014	2013
Transactions (in millions)²			
North America	1,667.5	459.9	165.0
International	183.9	192.5	162.5
Total transactions	1,851.4	652.4	327.5
Revenue per transaction			
North America	\$ 0.74	\$ 1.45	\$ 2.79
International	2.56	2.76	2.67
Consolidated revenue per transaction	0.92	1.84	2.73
Consolidated adjusted revenue per transaction ³	0.86	1.69	2.53

² Transactions in 2015 and 2014 include appropriately 1.3 billion and 270 million transactions, respectively, related to our SVS product, which is part of the Comdata business acquired in November 2014. SVS, Stored Value Solutions, is our global provider of gift card and stored value solutions. The SVS product has lower revenue per transaction.

³ Adjusted revenues is a non-GAAP financial measure defined as revenues, net less merchant commissions. We believe this measure is a more effective way to evaluate our revenue performance. We use adjusted revenues as a basis to evaluate our revenues, net of the commissions that are paid to merchants to participate in our card programs. Adjusted revenues is a supplemental non-GAAP financial measure of operating performance. See the heading entitled *Management's Use of Non-GAAP Financial Measures*.

Revenue per transaction 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. Revenue per transaction per customer changes 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.

From 2014 to 2015, total transactions increased from 652.4 million to 1.9 billion, an increase of 1.2 billion or 183.8%. We experienced an increase in transactions in our North America segment primarily due to our acquisition of Comdata in November 2014, of which 1.3 billion and 270 million transactions are attributable to SVS for 2015 and 2014, respectively, as well as from organic growth in our U.S. businesses. Transaction volumes in our international segment decreased slightly by 4.5% primarily due to market softness in some of our international businesses.

From 2013 to 2014, total transactions increased from 327.5 million to 652.4 million, an increase of 324.9 million or 99.2%. We experienced an increase in transactions in our North America and International segments primarily due to organic growth in certain payment programs, the impact of the acquisitions completed in 2014 and the full year impact of acquisitions completed in 2013. In 2014, transaction volume was primarily affected by the inclusion of approximately 270 million transactions related to our SVS product, which is part of the Comdata business acquired in

November 2014.

Sources of Expenses

We incur expenses in the following categories:

Merchant commissions In certain of our card programs, we incur merchant commissions expense when we reimburse merchants with whom we have direct, contractual relationships for specific

Table of Contents

transactions where a customer purchases products or services from the merchant. In the card programs where it is paid, merchant commissions equal the difference between the price paid by us to the merchant and the merchant's wholesale cost of the underlying products or services.

Processing Our processing expense consists of expenses related to processing transactions, servicing our customers and merchants, bad debt expense and cost of goods sold related to our hardware sales in certain businesses.

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

General and administrative Our general and administrative expenses include compensation and related expenses (including stock-based compensation) for our executive, 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 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 unusual to the period and presented separately.

Equity method investment loss Our equity method investment loss relates to our minority interest in Masternaut Group Holdings Limited (Masternaut), a provider of telematics solutions to commercial fleets in Europe, which we account for using the equity method.

Other expense (income), net Other expense (income), net includes foreign currency transaction gains or losses, proceeds/costs from the sale of assets and other miscellaneous operating costs and revenue.

Interest expense, net Interest expense, net includes interest income on our cash balances and interest expense on our outstanding debt and on our Securitization Facility. We have historically invested our cash primarily in short-term money market funds.

Loss on early extinguishment of debt Loss on early extinguishment of debt relates to our write-off of debt issuance costs associated with the refinancing of our Existing Credit Facility and entry into our New Credit Agreement, along with our recent acquisition of Comdata.

Provision for income taxes The provision for income taxes consists primarily of corporate income taxes related to profits resulting from the sale of our products and services in the United States and internationally. Our worldwide effective tax rate is lower than the U.S. statutory rate of 35%, due primarily to lower rates in foreign jurisdictions and foreign-sourced non-taxable income.

Table of Contents

Adjusted Revenues, Adjusted Net Income and Adjusted Net Income Per Diluted Share. Set forth below are adjusted revenues, adjusted net income and adjusted net income per diluted share for the years ended December 31, 2015, 2014 and 2013.

	Year Ended December 31,		
	2015	2014	2013
(in thousands except per share amounts)			
Adjusted revenues	\$ 1,594,608	\$ 1,103,136	\$ 827,028
Adjusted net income	\$ 592,625	\$ 447,670	\$ 342,680
Adjusted net income per diluted share	\$ 6.30	\$ 5.15	\$ 4.05

We use adjusted revenues as a basis to evaluate our revenues, net of the commissions that are paid to merchants that participate in certain of our card programs. The commissions paid to merchants can vary when market spreads fluctuate in much the same way as revenues are impacted when market spreads fluctuate. Thus, we believe this is a more effective way to evaluate our revenue performance on a consistent basis. 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. Adjusted revenues, 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.

Factors and Trends Impacting our Business

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

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. See Sources of Revenue above for further information related to the absolute price of fuel.

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. See Sources of Revenue above for further information related to fuel-price spreads.

Acquisitions Since 2002, we have completed over 65 acquisitions of companies and commercial account portfolios. Acquisitions have been an important part of our growth strategy, and it is our intention to continue to seek opportunities to increase our customer base and diversify our service offering through further strategic acquisitions. The impact of acquisitions has, and may continue to have, a significant impact on our results of operations and may make it difficult to compare our results between periods.

Interest rates Our results of operations are affected by interest rates. We are exposed to market risk changes in interest rates on our cash investments and debt.

Table of Contents

Global economic conditions Our results of operations are materially affected by conditions in the economy generally, both in North America and internationally. Factors affected by the economy include our transaction volumes and the credit risk of our customers. These factors affected our businesses in both our North America and International segments.

Foreign currency changes Our results of operations are significantly impacted by changes in foreign currency 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 72%, 56% and 51% of our revenue in 2015, 2014 and 2013, respectively, was derived in U.S. dollars and was not affected by foreign currency exchange rates. See Results of Operations for information related to foreign currency impact on our total revenue, net.

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

Acquisitions and Investments

During 2015, we completed acquisitions of Shell portfolios related to our fuel card business in Europe, as well as a small acquisition internationally, with an aggregate purchase price of \$45.7 million, made additional investments of \$8.4 million related to our equity method investment at Masternaut and deferred payments of \$3.4 million related to acquisitions occurring in prior years.

During 2014, we completed acquisitions with an aggregate purchase price of \$3.67 billion, net of cash acquired of \$165.8 million.

In April 2014, we completed an equity method investment in Masternaut, Europe's largest provider of telematics solutions to commercial fleets, included in Equity method investment in our Consolidated Balance Sheets. We own 44% of the outstanding equity of Masternaut.

In July 2014, we also acquired PacPride, a U.S. fuel card business, and in August 2014, we acquired a fuel card portfolio from Shell in Germany (Shell Germany). The purpose of these acquisitions was to strengthen our presence in the U.S. marketplace and establish our presence in the German fuel card market, respectively.

In November 2014, we acquired Comdata Inc. (Comdata) for \$3.4 billion. Comdata is a leading business-to-business provider of innovative electronic payment solutions. As an issuer and a processor, Comdata provides fleet, virtual card and gift card solutions to over 20,000 customers. Comdata has approximately 1,300 employees and enables over \$54 billion in payments annually. This acquisition complemented the Company's current fuel card business in the U.S. and added a new product with the virtual payments business. FleetCor financed the acquisition with approximately \$2.4 billion of debt and the issuance of 7,625,380 shares of FleetCor common stock, including amounts applied at the closing to the

repayment of Comdata's debt.

The results of operations of the Shell Germany business are included within our International segment, from the date of acquisition. The results of operations from PacPride and Comdata are included within our North America segment, from the date of acquisition.

During 2013, we completed acquisitions with an aggregate purchase price of \$839.3 million, net of cash acquired of \$35.6 million, including deferred payments of \$36.8 million and the estimated fair value of contingent consideration payments of \$83.1 million. In 2014, we recorded adjustments to the estimated fair value of contingent consideration for 2013 acquisitions of \$28.1 million, based on actual results of the business, which

Table of Contents

included the impact of an unfavorable tax judgment against VB during the fourth quarter of 2014. In February 2015, the Company paid \$39.8 million of contingent consideration. The most significant acquisitions are described below.

In March 2013, we acquired certain fuel card assets from GE Capital Australia's Custom Fleet leasing business. The consideration for the transaction was paid using the Company's existing cash and credit facilities. GE Capital's Fleet Card is a multi-branded fuel card product with wide acceptance in fuel outlets and automotive service and repair centers across Australia. Through this transaction, the Company acquired the Fleet Card product, brand, acceptance network contracts, supplier contracts, and approximately one-third of the customer relationships with regards to fuel cards (together, Fleet Card). The remaining customer relationships will be retained by Custom Fleet, and are comprised of companies which have commercial relationships with Custom Fleet beyond fueling, such as fleet management and leasing. The purpose of this acquisition was to establish our presence in the Australian marketplace.

In April 2013, we acquired all of the outstanding stock of CardLink. The consideration for the transaction was paid using the Company's existing cash and credit facilities. CardLink provides a proprietary fuel card program with acceptance at retail fueling stations across New Zealand. CardLink markets its fuel cards directly to mostly small-to-mid-sized businesses, and provides processing and outsourcing services to oil companies and other partners. With this transaction, the Company entered into a \$12.0 million New Zealand dollar (\$9.4 million) revolving line of credit, which will be used to fund the working capital needs of the CardLink business. The purpose of this acquisition was to enter the Australia and New Zealand regions and followed our recent purchase of GE Capital's Fleet Card business in Australia.

In August 2013, we acquired all of the outstanding stock of VB, a provider of transportation cards and vouchers in Brazil. The consideration for the transaction was paid using the Company's existing cash and credit facilities. VB is a provider of transportation cards in Brazil where employers are required by legislation to provide certain employees with prepaid public transportation cards to subsidize their commuting expenses. VB also markets food cards. The purpose of this acquisition was to strengthen our presence in the Brazilian marketplace.

In October 2013, we acquired all of the outstanding stock of Epyx, a provider to the fleet maintenance, service and repair marketplace in the UK. Epyx provides an internet based system and a network of vehicle repair service garages to fleet operators in the UK. The Epyx service helps its customers better manage their vehicle maintenance, service, and repair needs. The consideration for the transaction was paid using existing cash and credit facilities. This acquisition extended our offerings beyond fleet fueling, to fleet maintenance services in the UK marketplace.

In October 2013, we acquired DB, a provider of payment solutions for independent truckers in Brazil. The consideration for the transaction was paid using existing cash and credit facilities. With this acquisition, we strengthened our presence in the Brazilian marketplace.

In October 2013, we acquired NexTraq, a U.S. based provider of telematics solutions to small and medium-sized businesses. NexTraq provides fleet operators with an internet based system that enhances workforce productivity through real time vehicle tracking, route optimization, job dispatch, and fuel usage monitoring. The consideration for the transaction was paid using existing cash and credit facilities. With this acquisition, we have a cross marketing opportunity due to the similarity of the commercial fleet customer base.

The results of operations of the Fleet Card, CardLink, VB, Epyx and DB businesses are included within our International segment, from the date of acquisition. The results from NexTraq are included within our North America segment, from the date of acquisition.

Table of Contents**Results of operations****Year ended December 31, 2015 compared to the year ended December 31, 2014**

The following table sets forth selected consolidated statement of income and selected operational data for the years ended December 31, 2015 and 2014 (in millions, except percentages).

	Year ended December 31, 2015	% of total revenue	Year ended December 31, 2014	% of total revenue	Increase (decrease)	% Change
Revenues, net:						
North America	\$ 1,232.0	72.3%	\$ 668.3	55.7%	\$ 563.6	84.3%
International	470.9	27.7%	531.1	44.3%	(60.2)	(11.3%)
Total revenues, net	1,702.9	100.0%	1,199.4	100.0%	503.5	42.0%
Consolidated operating expenses:						
Merchant commissions	108.3	6.4%	96.3	8.0%	12.0	12.5%
Processing	331.1	19.4%	173.3	14.4%	157.7	91.0%
Selling	109.1	6.4%	75.5	6.3%	33.5	44.4%
General and administrative	297.7	17.5%	206.0	17.2%	91.8	44.5%
Depreciation and amortization	193.5	11.4%	112.4	9.4%	81.1	72.2%
Other operating, net	(4.2)	(0.2%)	(29.5)	2.5%	(25.3)	(85.6%)
Operating income	667.5	39.2%	565.4	47.1%	102.1	18.1%
Equity method investment loss						
	57.7	3.4%	8.6	0.7%	49.1	571.7%
Other expense (income), net						
	2.5	0.1%	(0.7)	NM	3.2	NM
Interest expense, net	71.3	4.2%	28.9	2.4%	42.5	147.2%
Loss on early extinguishment of debt						
			15.8	1.3%	(15.8)	(100.0%)
Provision for income taxes	173.6	10.2%	144.2	12.0%	29.3	20.3%
Net income	\$ 362.4	21.3%	\$ 368.7	30.7%	\$ (6.3)	(1.7%)
Operating income for segments:						
North America	\$ 442.0		\$ 287.3		\$ 154.7	53.9%
International	225.5		278.1		(52.7)	(18.9%)
Operating income	\$ 667.5		\$ 565.4		\$ 102.1	18.1%

Operating margin for segments:

North America	35.9%	43.0%	(7.1)%
International	47.9%	52.4%	(4.5)%
Total	39.2%	47.1%	(7.9)%

	Year ended December 31,	
	2015	2014
Transactions (in millions) ¹		
North America	1,667.5	459.9
International	183.9	192.5
Total transactions	1,851.4	652.4
Revenue per transaction		
North America	\$ 0.74	\$ 1.45
International	2.56	2.76
Consolidated revenue per transaction	0.92	1.84
Consolidated adjusted revenue per transaction	0.86	1.69

Table of Contents

¹ Transactions in 2015 and 2014 include approximately 1.3 billion and 270 million transactions, respectively, related to our SVS product, which is part of the Comdata business acquired in November 2014. Revenue per transaction for the SVS product is lower than that generated by our other products.

NM = Not Meaningful

The sum of the columns or rows may not equal the totals or differences due to rounding.

Revenues and revenue per transaction

Our consolidated revenue increased from \$1,199.4 million in 2014 to \$1,702.9 million in 2015, an increase of \$503.5 million, or 42.0%. The increase in our consolidated revenue was primarily due to the following:

The impact of acquisitions completed in 2014, which contributed approximately \$528 million in additional revenue in 2015 over the comparable period in 2014.

Organic growth in certain of our payment programs driven primarily by increases in both volume and revenue per transaction.

Included within organic growth, is the impact of the macroeconomic environment. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our consolidated revenue for 2015 over the comparable period in 2014. The macroeconomic environment was primarily impacted by lower fuel prices and foreign exchange rates, partially offset by higher fuel spread margins.

We use adjusted revenues as a basis to evaluate our revenues, net of the commissions that are paid to merchants that participate in certain of our card programs. The commissions paid to merchants can vary when market spreads fluctuate in much the same way as revenues are impacted when market spreads fluctuate. Thus, we believe this is a more effective way to evaluate our revenue performance on a consistent basis. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it negatively impacted our consolidated adjusted revenues for 2015 over the comparable period in 2014 by approximately \$179 million. Changes in foreign exchange rates had an unfavorable impact on consolidated adjusted revenues of approximately \$90 million, due to unfavorable fluctuations in rates in all geographies, in 2015 over 2014. In addition, we believe the impact of lower fuel prices, partially offset by higher fuel spread margins, had an additional unfavorable impact on consolidated adjusted revenues of approximately \$89 million.

Consolidated revenue per transaction decreased from \$1.84 in 2014 to \$0.92 in 2015, a decrease of \$0.92 per transaction or 50.0%. Excluding the impact of the SVS business, which had approximately 1.3 billion and 270 million transactions in 2015 and 2014, respectively, at a lower revenue per transaction, revenue per transaction for 2015 decreased 10.2 % to \$2.78 from \$3.10 over the comparable period in 2014. Revenue per transaction can vary based on the geography, the relevant merchant and customer relationship, the payment product utilized, and the types of products or services purchased. The revenue mix was influenced by our acquisitions, organic growth in the business, and fluctuations in the macroeconomic environment, primarily fuel prices and foreign exchange rates.

North America segment revenues and revenue per transaction

North America revenue increased from \$668.3 million in 2014 to \$1,232.0 million in 2015, an increase of \$563.6 million, or 84.3%. The increase in our North America revenue was primarily due to:

The impact of acquisitions completed in 2014, which contributed approximately \$528 million in additional revenue in 2015 over the comparable period in 2014.

Organic growth in certain of our payment programs driven primarily by increases in both volume and revenue per transaction.

Table of Contents

Included within organic growth, is the impact of the macroeconomic environment. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our North America segment revenue for 2015 over the comparable period in 2014, primarily due to the impact of lower fuel prices in the U.S., partially offset by higher fuel spread margins.

North America segment revenue per transaction decreased from \$1.45 in 2014 to \$0.74 in 2015, a decrease of \$0.71 or 49.2%. Excluding the impact of the SVS business, which had approximately 1.3 billion and 270 million transactions in 2015 and 2014, respectively, at a lower revenue per transaction, revenue per transaction in our North America segment in 2015 decreased 15.9% to \$2.89 from \$3.44 over the comparable period in 2014. Revenue per transaction can vary based on the geography, the relevant merchant and customer relationship, the payment product utilized, and the types of products and services purchased. Revenue per transaction decreased primarily due to the impact of lower fuel prices and fuel price spreads during 2015 versus the prior year.

International segment revenue

International segment revenue decreased from \$531.1 million in 2014 to \$470.9 million in 2015, a decrease of \$60.2 million, or 11.3%. The decrease in International segment revenue was due primarily to the following:

The impact of the macroeconomic environment, which is included within organic growth. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our International segment revenue for 2015 over the comparable period in 2014, primarily due to changes in foreign exchange rates and lower fuel prices internationally. Unfavorable fluctuations in foreign exchange rates in all geographies had an unfavorable impact on revenues in 2015 over the comparable period in 2014.

As discussed, we use adjusted revenues as a basis to evaluate our revenues, net of the commissions that are paid to merchants that participate in certain of our card programs. Changes in foreign exchange rates had an unfavorable impact on international adjusted revenues of approximately \$90.1 million, due to unfavorable fluctuations in rates in all geographies, in 2015 over 2014.

Organic growth in certain of our payment programs driven primarily by increases in both volume and revenue per transaction.

International segment revenue per transaction decreased from \$2.76 in 2014 to \$2.56 in 2015, a decrease of \$0.20 per transaction or 7.2%, due primarily to the unfavorable impact of foreign exchange rates across all of our geographies. This unfavorable impact was partially offset by organic revenue growth in several products.

Consolidated operating expenses

Merchant commission. Merchant commissions increased from \$96.3 million in 2014 to \$108.3 million in 2015, an increase of \$12.0 million, or 12.5%. This increase was due primarily to the fluctuation of the margin between the wholesale cost and retail price of fuel, which impacted merchant commissions in certain card programs, as well as the impact of higher volume in certain revenue streams where merchant commission are paid, partially offset by decreases due to changes in foreign exchange rates.

Processing. Processing expenses increased from \$173.3 million in 2014 to \$331.1 million in 2015, an increase of \$157.7 million, or 91.0%. Our processing expenses primarily increased due to the impact of our acquisition of

Comdata completed in the fourth quarter of 2014, partially offset by decreases due to changes in foreign exchange rates.

Selling. Selling expenses increased from \$75.5 million in 2014 to \$109.1 million in 2015, an increase of \$33.5 million, or 44.4%. The increase was primarily due to our acquisition of Comdata completed in the fourth quarter of 2014, as well as additional sales and marketing spending in certain markets, partially offset by decreases due to changes in foreign exchange rates.

Table of Contents

General and administrative. General and administrative expense increased from \$206.0 million in 2014 to \$297.7 million in 2015, an increase of \$91.8 million, or 44.5%. The increase was primarily due to the impact of our acquisition of Comdata completed in the fourth quarter of 2014 and incremental stock based compensation of \$52.5 million, partially offset by decreases due to changes in foreign exchange rates.

Depreciation and amortization. Depreciation and amortization increased from \$112.4 million in 2014 to \$193.5 million in 2015, an increase of \$81.1 million, or 72.2%. The increase was primarily due to our acquisition of Comdata completed during the fourth quarter of 2014, which resulted in an increase of \$91.3 million related to the amortization of acquired intangible assets for customer and vendor relationships, trade names and trademarks, non-compete agreements and software, as well as depreciation of acquired fixed assets, partially offset by decreases due to changes in foreign exchange rates.

Other operating, net. Other operating, net decreased from a \$29.5 million favorable impact in 2014 to a \$4.2 million favorable impact in 2015, a decrease of \$25.3 million, or 85.8%. In 2015, the balance relates primarily to the net favorable impact of the additional reversals of various contingent liabilities for tax indemnifications related to our acquisitions of DB and VB in Brazil. Included in other operating, net in 2014 is \$28.1 million of favorable impact related to fair value adjustments recorded for contingent consideration arrangements for our acquisition of VB in Brazil and \$1.4 million from the reversal of other various contingent liabilities for tax indemnifications related to our acquisitions of DB and VB in Brazil.

Equity method investment loss

On April 28, 2014, we acquired a minority interest in Masternaut, a provider of telematics solutions to commercial fleets in Europe, which we account for as an equity method investment. The increase in equity method investment loss from \$8.6 million in 2014 to \$57.7 million in 2015 was primarily due to a non-cash impairment charge of \$40 million recorded in the fourth quarter of 2015. We regularly evaluate our investments, which are not carried at fair value, for other than temporary impairment in accordance with U. S. GAAP. During the fourth quarter, we determined that the performance improvement initiatives at Masternaut will take longer to implement than we originally projected. As a result, we have recorded a \$40 million non-cash impairment charge in our equity method investment.

Interest expense, net

Interest expense increased from \$28.9 million in 2014 to \$71.3 million in 2015, an increase of \$42.5 million, or 147.2%. The increase is due to an increase in borrowings in 2015 over 2014, primarily due to funding of the purchase price for our acquisition of Comdata. The following table sets forth the average interest rates paid on borrowings under our Credit Facility, excluding the relevant unused credit facility fees.

	2015	2014
Term loan A	1.94%	1.92%
Term loan B	3.75%	3.75%
Domestic Revolver A	1.95%	1.92%
Foreign Revolver A	2.36%	2.27%
Foreign Revolver B	%	4.43%
Foreign swing line	2.29%	2.24%

The average unused credit facility fee for Domestic Revolver A was 0.35% and 0.31% in 2015 and 2014, respectively. The average unused credit facility fee for Foreign Revolver B was 0.30% in 2014.

Loss on early extinguishment of debt

Loss on early extinguishment of debt in 2014 relates to our write-off of \$15.8 million of debt issuance costs associated with the refinancing of our Existing Credit Facility and entry into our New Credit Agreement, along with our acquisition of Comdata.

Table of Contents***Provision for income taxes***

The provision for income taxes increased from \$144.2 million in 2014 to \$173.6 million in 2015, an increase of \$29.3 million, or 20.3%. Our effective tax rate increased from 28.1% in 2014 to 32.4% in 2015. We pay taxes in many different 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 lower than the U.S. tax rate. Consequently, as our earnings fluctuate between taxing jurisdictions, our effective tax rate fluctuates. The increase in the effective tax rate was due primarily to the non-deductible impairment charge of \$40 million related to our minority investment in Masternaut, as well as the inclusion of the Comdata business, which operates primarily in the U.S. with a higher overall tax rate. Partially offsetting these negative impacts was the continued decrease in the U.K. statutory tax rates. These initiatives involved amending tax returns for several prior years and produced tax savings of approximately \$7.9 million recorded in 2015. We expect that the impact of these planning initiatives will have a favorable impact on tax rates in future years. Included in 2014, was one-time tax favorability due to entity reorganization in Brazil, which allowed the reversal of deferred tax liability of \$9.5 million, setup at the time of acquisition in 2013.

Net income

For the reasons discussed above, our net income decreased from \$368.7 million in 2014 to \$362.4 million in 2015, a decrease of \$6.3 million, or 1.7%.

Operating income and operating margin***Consolidated operating income***

Operating income increased from \$565.4 million in 2014 to \$667.5 million in 2015, an increase of \$102.1 million, or 18.1%. Consolidated operating margin was 47.1% in 2014 and 39.2% in 2015. The increase in operating income was due primarily to the impact of our acquisition of Comdata completed in November 2014. These increases were partially offset by the negative impact of the macroeconomic environment, primarily due to lower fuel prices in North America and unfavorable changes in foreign exchange rates, as previously discussed. Changes in foreign exchange rates had an unfavorable impact on consolidated operating income of approximately \$53 million due to unfavorable fluctuations in rates in all geographies. Results were also negatively impacted by the increase in amortization and depreciation expense related to assets acquired in 2014 and increased stock based compensation expense during 2015. The decrease in operating margin was due primarily to the impact of increased operating expenses associated with Comdata, including increased depreciation and amortization expense.

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

North America segment operating income

North America operating income increased from \$287.3 million in 2014 to \$442.0 million in 2015, an increase of \$154.7 million, or 53.9%. North America operating margin was 43.0% in 2014 and 35.9% in 2015. The increase in operating income was due primarily to the impact of our acquisition of Comdata in November 2014, as well as organic growth in the business. The decrease in operating margin was due primarily to the impact of increased operating expenses associated with Comdata, including increased depreciation and amortization. In addition, we had increased stock based compensation expense, the majority of which is recorded in our North American segment. Furthermore, operating results were also negatively impacted by the macroeconomic environment, primarily due to

lower fuel prices, partially offset by higher fuel spread margins.

Table of Contents***International segment operating income***

International operating income decreased from \$278.1 million in 2014 to \$225.5 million in 2015, a decrease of \$52.7 million, or 18.9%. International operating margin was 52.4% in 2014 and 47.9% in 2015. The decrease in operating income was due primarily to the unfavorable impact of the macroeconomic environment, specifically unfavorable changes in foreign exchange rates, which we believe negatively impacted operating income by approximately \$53 million, as well as the negative impact of fuel prices internationally. The negative impact of the environment was partially offset by the impact of organic growth in the business driven by increases in volume and revenue per transaction, in local currency. The impact of changes in fuel price spreads was negligible.

Year ended December 31, 2014 compared to the year ended December 31, 2013

The following table sets forth selected consolidated statement of income and selected operational data for the years ended December 31, 2014 and 2013 (in millions, except percentages).

	Year ended December 31, 2014	% of total revenue	Year ended December 31, 2013	% of total revenue	Increase (decrease)	% Change
Revenues, net:						