

We Are FLEETCOR.

A leading global provider of fleet cards and specialty payments to businesses.

Original Presentation by Joan Loken
Director, Rocky Mountain Chapter
November 14, 2017

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Company Profile

Fleetcor Technologies Inc is a provider of specialised payment products. The company offers fleet cards, food cards, corporate lodging discount cards, and other specialised payment services. Fleetcor's systems enable its customers to manage and control their commercial payments and loyalty-card programmes. Customers include commercial fleet operators, major oil companies, petroleum marketers, and government entities. Further, Fleetcor offers customised analysis solutions to its clients, offering business productivity tracking capabilities. North America is the largest geographic operating segment.

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FLEETCOR

WHO WE ARE

We are leading the future of business payments with a culture of innovation that drives us to constantly create new and better ways to pay.

WHAT WE DO

Our specialized payment solutions help businesses control, simplify, and secure payment for fuel, general payables, toll and lodging expenses.

WHERE WE OPERATE

Millions of people in over 80 countries around the world use our solutions for their payments.

AT A GLANCE

As of 12/31/2018

\$2.4B

ANNUAL REVENUE

\$2.9B

TRANSACTIONS PER YEAR

800K+

BUSINESS CUSTOMERS

800K+

MERCHANTS

7,600

EMPLOYEES

OUR GLOBAL PRESENCE

Solutions Used in 80+ Countries

RECOGNITION

Forbes World's Most Innovative Companies
4 years in a row

Forbes Global Growth Champion
2017-2018

S&P 500 Member
Since 2016

CONSISTENT TRACK RECORD OF GROWTH

2010-2018

24% CAGR

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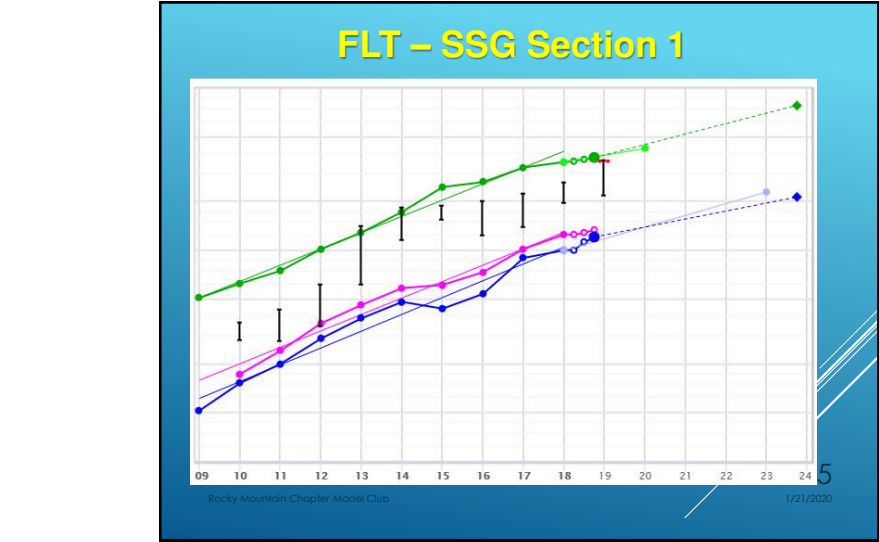
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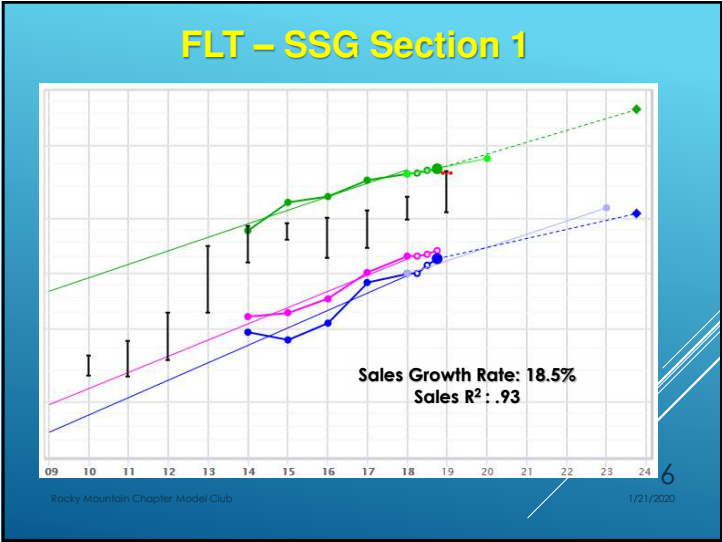
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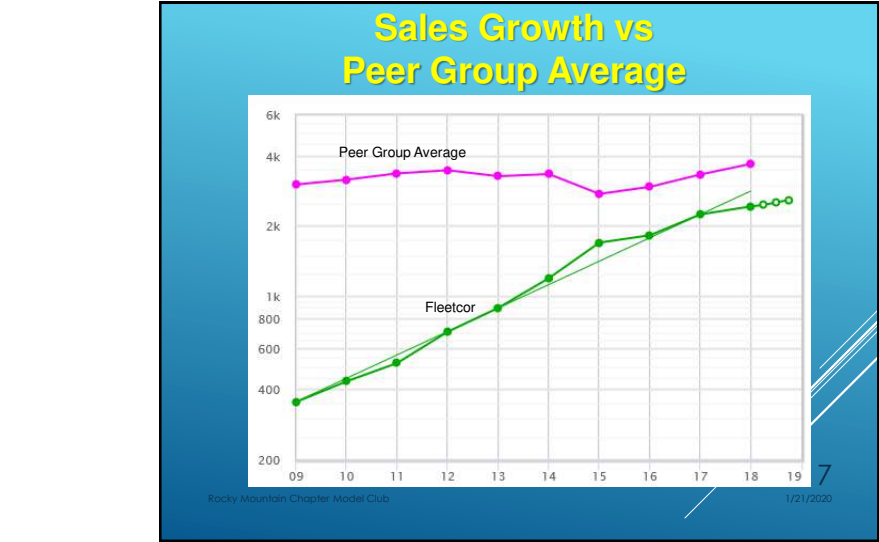
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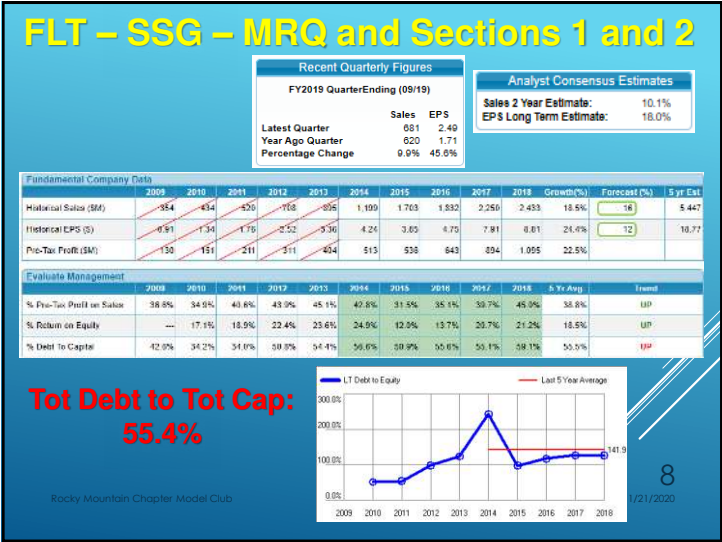
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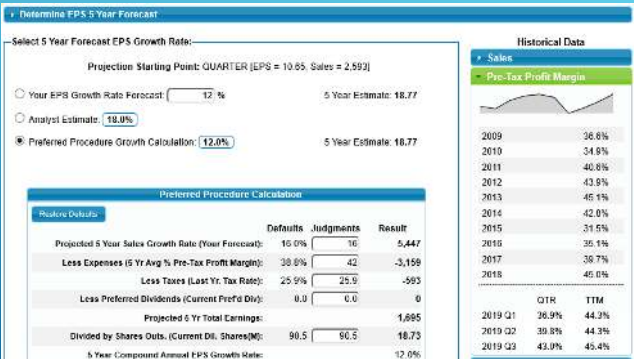
Tot Debt to Tot Cap: 55.4%

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FLT – “Preferred Procedure”



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FLT – SSG – Section 3

CLOSING PRICE (01/17/20): 310.04			HIGH THIS YEAR: 314.75			LOW THIS YEAR: 180.24		
Year	A	B	C	D	E	F	G	H
	Price	Price	Per Share	Price Earnings Ratio	Price Earnings Ratio	Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2014	180.4	151.5	4.24	42.5	35.7	0.90	0.0%	0.0%
2015	195.7	134.6	3.89	50.3	24.9	0.90	0.0%	0.0%
2016	176.4	107.6	4.76	37.1	22.6	0.90	0.0%	0.0%
2017	104.6	121.0	7.81	24.0	15.4	0.90	0.0%	0.0%
2018	220.1	172.2	0.81	28.1	19.5	0.90	0.0%	0.0%
AVERAGE	127.0			28.3	19.2		0.0%	
CURRENT P/E RATIO			10.55			0.90	0.0%	
AVERAGE PRICE EARNINGS RATIO: 24.2				CURRENT PRICE EARNINGS RATIO: 29.1				

Relative Value = $29.1 / 24.2 = 1.2$

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5 Yr. Performance: FLT vs Mid-cap Index

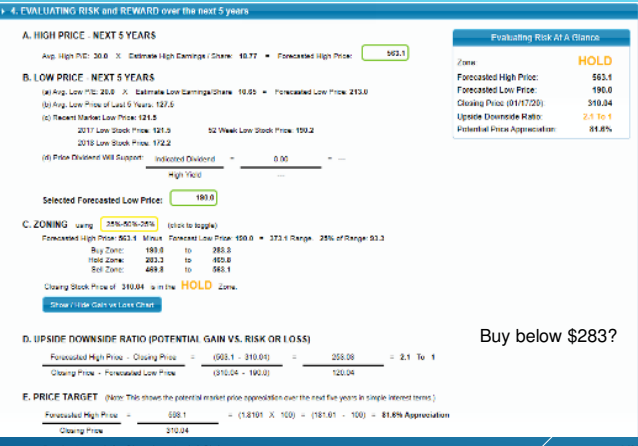


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FLT – SSG – Section 4



Buy below \$283?

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FLT – SSG – Section 5

3. FIVE-YEAR POTENTIAL		
A. CURRENT YIELD		
Indicated Annual Dividend	=	0.00 = 0.0000 = 0.0%
Closing Price	=	370.04
B. AVERAGE YIELD - USING FORECAST HIGH P/E		
Avg. % Payout	=	0 = 0.0%
Forecast High P/E	=	30.00
AVERAGE YIELD - USING FORECAST AVERAGE P/E		
Avg. % Payout	=	0 = 0.0%
Forecast Average P/E	=	25.00
C. COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E		
Annualized Price Appreciation	=	12.7%
Average Yield	=	0.0%
Annualized Rate of Return	=	12.7%
COMPOUND ANNUAL RETURN - USING FORECAST AVERAGE P/E		
Annualized Price Appreciation	=	8.6%
Average Yield	=	0.0%
Annualized Rate of Return	=	8.6%

SSG Results Summary	
Zone:	HOLD
Upside/Downside Ratio:	2:1 To 1
Total Return (High P/E):	12.7%
Proposed Return (Avg P/E):	8.6%
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	279.9
Buy Below price based on zoning selection:	283.3
Closing Price (01/17/20):	310.64

- Bought at \$283
- High P/E Rate of Return : 14.8%
 - Avg. P/E Rate of Return: 10.8%

Recommendation: WATCH LIST

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Jazz Pharmaceuticals is an Ireland-domiciled specialty pharmaceutical firm focused primarily on treatments for **orphan drug** indications. Jazz's product portfolio includes lead drug

- **Xyrem** for narcolepsy,
- **Erwinaze** for acute lymphoblastic leukemia,
- **Defitelio** for severe veno-occlusive disease, and
- **Vyxeos** for acute myeloid leukemia.

Original Presentation by John Rogers - February 12, 2019

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SWOT

- Strengths**
 - Excellent Cash Flow
 - Growing R&D
- Weaknesses**
 - Overreliance on Xyrem (75% of revenues)
 - Accounting: GAAP vs Adjusted EPS
- Opportunities**
 - Cooperative joint ventures
- Threats**
 - Gov't crackdown on prices
 - Competition
 - Morningstar: High risk and No Moat
 - Manifest Investing Quality Rating: 95
 - Listed tops in industry

Due to lack of moat and high risk, we must require an U/O greater than 3

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JAZZ – SSG Section 1

Company: Jazz Pharmaceuticals (JAZZ) Study Name: JAZZ 11/15/19

Sales Growth: 19.5%
Sales R² : .92

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JAZZ – SSG – MRQ and Sections 1 and 2

Recent Quarterly Figures

FY2019 Quarter Ending (09/19)

	Sales	EPS
Current Quarter	523	1.79
Year Ago Quarter	400	2.11
Percentage Change	14.9%	-29.1%

Analyst Consensus Estimates

Sales 2 Year Estimate:	12.4%
EPS Long Term Estimate:	0.4%

- Jazz Pharmaceuticals Announces Third Quarter 2019 Financial Results
- Total Revenues Increased 15% to \$538 Million
- GAAP EPS of \$1.78; Adjusted EPS of \$4.10 (+70%)
- 2019 Total Revenues **Guidance Increased to \$2.10-\$2.18 Billion, an Increase of 11-15% Over 2018**

Member Sentiment

- 105 analyses in the past 90 days
- Projected Sales Growth Rate: 11.4%

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	(Growth%)	Forecast (%)	5 yr Est
Historical Sales (\$M)	176	174	272	368	477	1,173	1,325	1,488	1,819	1,891	12.7%	11.4	3,526
Historical EPS (\$)	0.23	0.53	2.07	4.34	3.51	0.93	5.23	6.41	7.96	7.30	17.0%	6.5	14.32
Pre-Tax Profit (\$M)	-17	33	125	177	305	152	436	532	441	529	23.0%		

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	5 Yr Avg	Trend
% Pre-Tax Profit on Sales	-5.3%	18.9%	45.9%	36.3%	35.3%	12.9%	32.8%	35.8%	27.3%	28.0%	27.4%	UP
% Return on Equity	9.9%	108.5%	80.2%	22.4%	18.3%	4.7%	20.5%	22.4%	19.3%	13.9%	18.1%	DOWN
% Debt to Capital	241.6%	61.1%	0.0%	25.9%	29.0%	49.2%	42.0%	51.9%	36.0%	36.7%	43.0%	DOWN

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JAZZ – SSG – Section 3

	A	B	C	D	E	F	G	H
Year	Price	Price	Earnings	Price Earnings Ratio	Price Earnings Ratio	Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2014	103.8	120.4	0.93	107.7	129.4	0.00	0.0%	0.0%
2015	144.7	117.3	5.23	27.2	22.4	0.00	0.0%	0.0%
2016	180.0	95.8	8.41	25.0	14.9	0.00	0.0%	0.0%
2017	103.8	100.0	7.00	20.0	13.7	0.00	0.0%	0.0%
2018	184.0	113.5	7.30	25.2	15.0	0.00	0.0%	0.0%
AVERAGE		111.2		23.6	14.7		0.0%	0.0%
CURRENT / TTM			10.45			0.00	0.0%	0.0%

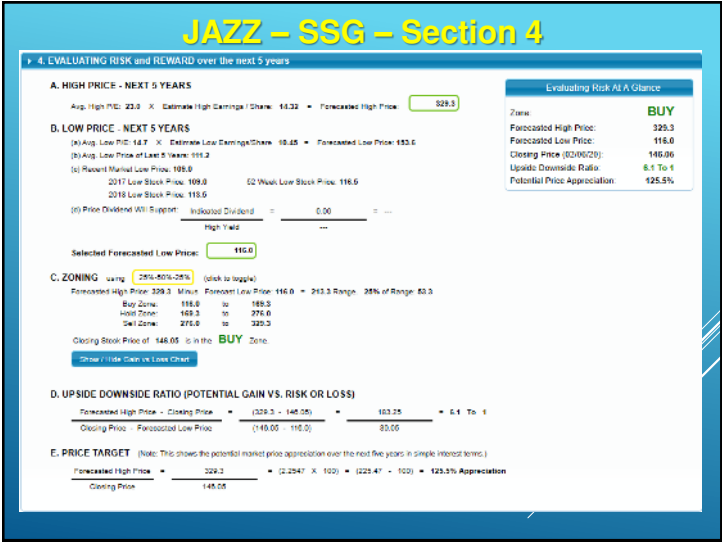
AVERAGE PRICE EARNINGS RATIO: 19.2 CURRENT PRICE EARNINGS RATIO: 14.0

Relative Value = 14.0/19.2 = 72.9%

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