FLEETCOR TECHNOLOGIES INC
Form S-1/A
June 29, 2010
Table of Contents

Index to Financial Statements

As filed with the Securities and Exchange Commission on June 29, 2010

Registration No. 333-166092

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

FLEETCOR TECHNOLOGIES, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**7389**	**72-1074903**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

655 Engineering Drive, Suite 300

Norcross, Georgia 30092-2830

(770) 449-0479

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Sean Bowen

Senior Vice President and General Counsel

655 Engineering Drive, Suite 300

Norcross, Georgia 30092-2830

(770) 449-0479

(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:

Jon R. Harris, Jr., Esq.	**John W. White, Esq.**
Alan J. Prince, Esq.	**Andrew J. Pitts, Esq.**
King & Spalding LLP	**Cravath, Swaine & Moore LLP**
1180 Peachtree Street, N.E.	**Worldwide Plaza**
Atlanta, Georgia 30309	**825 Eighth Avenue**
(404) 572-4600	**New York, New York 10019**
	(212) 474-1000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether 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 x	(Do not check if a smaller reporting company)	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1)(2)	Amount of registration fee
Common Stock, $0.001 par value per share	$500,000,000	$35,650(3)

(1) Includes shares issuable upon exercise of the underwriters over-allotment options. See Underwriting.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.
(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Index to Financial Statements

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Preliminary Prospectus

Subject to Completion. Dated June 29, 2010

Shares

Common Stock

This is an initial public offering of the common stock of FleetCor Technologies, Inc.

FleetCor Technologies, Inc. is offering of the shares to be sold in the offering. The selling stockholders identified in this prospectus are offering an additional shares. FleetCor will not receive any proceeds from the sale of the shares being sold by the selling stockholders.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $. FleetCor intends to apply for the listing of the common stock on the New York Stock Exchange under the symbol .

See Risk factors beginning on page 11 to read about risks you should consider before buying shares of common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to the selling stockholders	$	$

To the extent the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from the selling stockholders at the initial public offering price less the underwriting discount.

Delivery of the shares of common stock will be made on or about , 2010.

J.P. Morgan **Goldman, Sachs & Co.**

Barclays Capital **Morgan Stanley**

PNC Capital Markets LLC **Raymond James** **Wells Fargo Securities**

Prospectus dated , 2010.

Table of Contents

Index to Financial Statements

Table of contents

No dealer, salesperson or other person is authorized by us or the selling stockholders to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date on the front of this prospectus.

Table of Contents

Index to Financial Statements

Prospectus summary

This summary highlights significant aspects of our business and this offering that appear later in this prospectus, but it is not complete and does not contain all of the information that you should consider before making your investment decision. You should read carefully the entire prospectus, including the section entitled Risk Factors and the information presented in the historical financial data and related notes, before making an investment decision. This summary contains forward-looking statements, which involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements as a result of certain factors, including those set forth in this prospectus under the headings Risk factors and Special note regarding forward-looking statements. In this prospectus, unless indicated otherwise or the context otherwise requires, we, us, our and FleetCor refer to FleetCor Technologies, Inc., the issuer of the common stock, and its subsidiaries.

Overview

FleetCor is a leading independent global provider of specialized payment products and services to commercial fleets, major oil companies and petroleum marketers. We serve more than 530,000 commercial accounts in 18 countries in North America, Europe, Africa and Asia, and we had approximately 2.5 million commercial cards in use during the month of December 2009. Through our proprietary payment networks, our cards are accepted at approximately 83,000 locations in North America and Europe. In 2009, we processed approximately $14 billion in purchases on our proprietary networks and third-party networks. 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. Our payment programs enable businesses to better manage and control employee spending and provide card-accepting merchants with a high volume customer base that can increase their sales and customer loyalty. In order to deliver our payment programs and services and process transactions, we own and operate six 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 fleet operating costs.

We market our payment products directly to a broad range of commercial fleet customers, including vehicle fleets of all sizes and government fleets. Among these customers, we provide our products and services predominantly to small and medium commercial fleets. We believe these fleets 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 Citgo, and over 800 petroleum marketers. These companies collectively maintain hundreds of thousands of end-customer relationships with commercial fleets. We refer to these major oil companies and petroleum marketers with whom we have strategic relationships as our partners.

FleetCor benefits from an attractive business model, which is characterized by our recurring revenue, significant operating margins and low capital expenditure requirements. Our revenue is recurring in nature because we

Table of Contents

Index to Financial Statements

generate fees every time a card is used, customers rely on our payment programs to control their own recurring operating expenses and our partners and customers representing a substantial portion of our revenue enter into multi-year service contracts. Our highly-scalable business model creates significant operating efficiencies, which enable us to generate strong cash flow that may be used to repay indebtedness, make acquisitions and fund the future growth of our business. In addition, this business model enables us to continue to grow our business organically without significant additional capital expenditures.

We believe the fleet card industry is positioned for further consolidation because it is served by a fragmented group of suppliers, few with the size and scale to adequately invest to keep pace with industry advancements. For example, there is significant time and investment required to establish the closed-loop networks and technology solutions that address the diverse requirements of customers and partners across various geographic markets. We believe this dynamic will continue to shift market share to larger scale vendors with advanced technology platforms and drive further consolidation globally.

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 through a combination of organic initiatives, product and service innovation and over 40 acquisitions of businesses and commercial account portfolios. We have grown our revenue from $30.7 million in 2001 to $381.3 million on a managed basis (as defined in Management s discussion and analysis of financial condition and results of operations) in 2009, representing a compound annual growth rate of 37.0%. In 2009, we generated 35.8% of our revenue from our international operations, compared to none in 2005. For the years ended December 31, 2005, 2006, 2007, 2008 and 2009, our consolidated revenue was $143.3 million, $186.2 million, $264.1 million, $341.1 million and $354.1 million, respectively. In the same periods, we generated operating income of $59.0 million, $71.8 million, $105.8 million, $152.5 million and $146.0 million, respectively. In addition, we have grown our net income from a net loss of $12.6 million in 2000 to net income of $89.1 million in 2009.

Industry background

The electronic payments industry is a large and fast-growing sector that is benefiting from favorable trends around the world. Packaged Facts, a research firm, estimates that total global card purchase volumes reached $6.8 trillion in 2009, growing at a compound annual growth rate of 10.8% from 2005 to 2009.

Commercial cards provide specialized capabilities and are among the fastest growing segments of the electronic payments industry. Commercial card products are typically charge cards, which are paid in full every month and provide businesses with control over the types of authorized purchases, integration with accounting systems, detailed reporting, and the ability to incorporate and transmit additional data with a payment transaction. Packaged Facts estimates that total global commercial card purchase volumes reached $916.5 billion in 2009, growing at a compound annual growth rate of 8.2% from 2005 to 2009, and will reach $1.5 trillion in 2014, growing at a compound annual growth rate of 10.6% from 2009 to 2014.

Fleet cards typically provide differentiated services that help commercial fleet operators operate their businesses more effectively. Fleet cards are specialized commercial cards that fleet operators provide to their drivers to pay for fuel, maintenance, repairs and other approved purchases. Fleet cards typically provide differentiated services, which include significant cost controls (managed through business rules implemented at the point of sale) and access to level 3 data regarding transactions, such as the amount of the expenditure, the identification of the driver and vehicle, the odometer reading, the identity of the fuel or vehicle maintenance provider and the items purchased.

Table of Contents

Index to Financial Statements

Fleets represent a large customer base around the world. Fleets are composed of one or more vehicles, including automobiles, vans, SUVs, trucks and buses, used by businesses and governments. We believe small and medium commercial fleets represent a significant market opportunity for growth.

Packaged Facts estimates that there were approximately 41.9 million fleet vehicles in the United States in 2008 and that total U.S. closed-loop fleet card purchase volumes reached $50.8 billion in 2009, growing at a compound annual growth rate of 6.0% from 2005 to 2009. Based on research by Packaged Facts, 35% of U.S. fleet vehicle fuel volume in 2009 was purchased utilizing closed-loop fleet cards.

Based on our analysis of data from several sources, we believe there were approximately 68 million fleet vehicles in 30 European countries in 2007. Datamonitor, a research firm, estimates that the total value of fuel sold on commercial fuel cards in 16 major European countries reached approximately 68 billion in 2006. Based on our analysis of data available for several of the largest European countries, including France, Germany, Italy, the Netherlands, Spain and the United Kingdom, we estimate that during 2005, approximately 59% of fleet vehicle fuel volume in Europe was purchased with some form of fleet card product.

Industry characteristics provide an attractive growth opportunity. The fleet card industry is served by a fragmented group of participants with varying distribution models, including oil companies, petroleum marketers, third-party independent fleet card issuers and network operators, transaction processors and software service providers. We believe there is a significant amount of aging technology, legacy systems, and dated business practices within the fleet card industry, which we believe will continue to shift market share to larger scale vendors with advanced technology platforms and create significant barriers to entry. Given the generally rising levels of fuel prices and the continued increase in the number and size of commercial fleets, we believe the use of fleet cards will continue to increase around the world. We believe increasing penetration could accelerate the growth of the fleet card sector relative to alternative payment methods, and we believe larger scale participants may be able to grow at a faster rate than the sector due to the fragmented nature of the industry. We believe there will be an increasingly limited number of vendors that can serve the fleet card market effectively and even fewer with the ability to provide products and network services on a global scale.

Our competitive strengths

We believe our competitive strengths include the following:

Global leadership. We are a leading independent global provider of specialized commercial payment products and services to fleets, major oil companies and petroleum marketers. We believe that our deep and diverse relationships, geographic reach, strong brands and scale contribute to our leading industry position.

Broad distribution capabilities. We target new customers across different markets by using multiple distribution channels and tailored sales and marketing efforts designed to address the unique characteristics of individual market segments. By targeting and effectively marketing our products to several different customer segments, we are able to address a variety of growth opportunities and diversify our revenue base.

Proprietary closed-loop networks. We operate six proprietary closed-loop networks which, as of December 31, 2009, served approximately 83,000 acceptance locations in North America and Europe. We believe that the significant time and investment required to establish a large-scale network with mass merchant acceptance makes our model extremely difficult to replicate and creates a significant barrier to entry in our industry.

3

Table of Contents

Index to Financial Statements

Advanced, reliable technology systems. We operate proprietary and industry-leading technology systems that use modern, scalable and standardized architecture. Our business models and best practices are codified in our technology systems, allowing us to take advantage of revenue-enhancing and cost-saving opportunities across our different businesses and geographies.

Superior products and services. We provide products and services tailored to the specific needs of our fleet customers, which we believe makes them more attractive than alternative payment methods such as cash, house accounts and general purpose credit cards, as well as many other fleet card products. We believe we are also able to achieve a competitive advantage over many other fleet card vendors by designing products targeting the unique needs of our customers and partners in different markets.

Strong execution capabilities. Our leadership team has a long and demonstrated track record of growing our business. We have achieved our growth through a strategy combining operational initiatives, strategic relationships and acquisitions.

Our growth strategy

Our strategy is to grow our revenue and profits by further penetrating our target markets, expanding our product and service offerings, entering new geographic markets and acquiring companies that meet our strategic criteria. The key elements of our growth strategy are to:

Penetrate our target markets further. We intend to expand our presence in target markets by adding more customers, cross-selling additional products and services to existing customers, entering into additional strategic relationships and making acquisitions.

Expand our products and services. We will seek to grow revenue by introducing new product features and functionality to our fleet card products, including additional maintenance, lodging and travel and entertainment capabilities. We aim to extend our network offerings in order to help major oil companies and petroleum marketers compete more effectively with other fleet cards and alternative payment methods.

Enter new geographic markets. We intend to continue expanding in areas of Europe and the United States where we currently do not have a significant presence. We are also evaluating other opportunities in markets we believe to be under-penetrated, such as Latin America and Asia.

Pursue growth through strategic acquisitions. Since 2002, we have completed over 40 acquisitions of companies and commercial account portfolios. In international markets, such as parts of Europe, where fleet card penetration is below levels observed in the United States, we will seek opportunities to increase our customer base through further strategic acquisitions.

Our products and services

We sell a range of customized fleet and lodging payment programs directly and indirectly through partners, such as major oil companies and petroleum marketers. We provide our customers with various card products that typically function like a charge card to purchase fuel, lodging 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 customer s and partner s needs, we provide these services in a variety of outsourced solutions

Table of Contents

Index to Financial Statements

ranging from a comprehensive end-to-end solution (encompassing issuing, processing and network services) to limited back office processing services. In order to deliver our payment programs and services, we own and operate six proprietary closed-loop networks in North America and Europe. 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.

Risk factors

Investing in our common stock involves substantial risk, and our ability to successfully operate our business is subject to numerous risks, including those that are generally associated with our industry. Any of the risks set forth in this prospectus under the heading Risk factors may limit our ability to successfully execute our business strategy. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific risks set forth in this prospectus under the heading Risk factors in deciding whether to invest in our common stock.

Our principal executive offices are located at 655 Engineering Drive, Suite 300, Norcross, Georgia 30092-2830, and our telephone number at that address is (770) 449-0479. Our website is located at *www.fleetcor.com*. The information on our website is not part of this prospectus.

Certain data included in this prospectus regarding our industry is derived from our internal assessments, which are based on a variety of sources, including publicly available data and information obtained from customers, other industry sources and management estimates. Independent consultant reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable but do not guarantee the accuracy and completeness of such information. Our internal data and estimates are based upon information obtained from our investors, customers, suppliers, trade and business organizations, contacts in the markets in which we operate and management s understanding of industry conditions. Although we believe that such information is reliable, we cannot give you any assurance that any projections or estimates will be achieved.

Table of Contents

Index to Financial Statements

The offering

Shares of common stock offered by us	shares
Shares of common stock offered by the selling stockholders	shares
Shares of our common stock to be outstanding after this offering	shares
Option to purchase additional shares of common stock	The selling stockholders have granted the underwriters a 30-day option to purchase up to additional shares of common stock at the initial public offering price.
Voting rights	Each share of common stock will entitle its holder to one vote.
Use of proceeds	We estimate that the net proceeds we will receive from this offering, after deducting underwriting discounts and other estimated offering expenses payable by us, will be approximately $ million, assuming the shares are offered at $ per share, which is the mid-point of the price range set forth on the cover page of this prospectus. We intend to use approximately $ of the net proceeds we will receive from this offering to repay a portion of our outstanding term loans under the 2005 Credit Facility. We intend to use the remaining net proceeds for working capital and other general corporate purposes. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.
Dividend policy	We currently expect to retain all future earnings, if any, for use in the operation and expansion of our business and debt repayment; therefore, we do not anticipate paying cash dividends on our common stock in the foreseeable future. See Dividend policy below.
Proposed New York Stock Exchange ticker symbol	.
Risk factors	You should carefully read and consider the information set forth under the heading Risk factors beginning on page 11 of this prospectus and all other information set forth in this prospectus before investing in our common stock.

The common stock to be outstanding after this offering is based on shares outstanding as of June 30, 2010, and excludes the following:

as of June 30, 2010, shares issuable upon the exercise of outstanding stock options at a weighted-average exercise price of $ per share; and

6

Table of Contents

Index to Financial Statements

2,700,000 shares reserved for future issuance under our 2010 Equity Compensation Plan.

Except as otherwise indicated, the information in this prospectus:

- assumes the automatic conversion of all outstanding shares of our preferred stock into shares of our common stock immediately prior to the closing of this offering;
- assumes the underwriters do not exercise their option to purchase up to additional shares from the selling stockholders;
- assumes a -for- stock split of shares of our common stock will be effected prior to the closing of this offering; and
- assumes that our shares of common stock will be sold at $ per share, which is the mid-point of the price range set forth on the cover page of this prospectus.

Table of Contents

Index to Financial Statements

Summary consolidated data for FleetCor Technologies, Inc.

The table below summarizes our consolidated financial information for the periods indicated and has been derived from our consolidated financial statements and presents certain other financial information. You should read the following information together with the more detailed information contained in Selected consolidated financial data, Management s discussion and analysis of financial condition and results of operations and our consolidated financial statements and the accompanying notes, each appearing elsewhere in this prospectus. The consolidated statement of income data for the years ended December 31, 2006 and 2005 as well as the consolidated balance sheet data as of December 31, 2007, 2006 and 2005 are derived from our audited consolidated financial statements not included in this prospectus. The unaudited consolidated financial statements include, in the opinion of management, all adjustments, which include only normal recurring adjustments, that management considers necessary for the fair presentation of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results to be expected in any future period.

(in thousands, except per share data)	Three months ended March 31, 2010	2009	Year ended December 31, 2009	2008	2007	2006	2005
	(unaudited)						
Statement of income data(1):							
Revenues, net	$ 104,202	$ 68,076	$ 354,073	$ 341,053	$ 264,086	$ 186,209	$ 143,334
Expenses:							
Merchant commissions	11,589	8,315	39,709	38,539	39,358	32,784	24,247
Processing	17,521	13,524	57,997	51,406	34,060	26,388	18,360
Selling	6,849	6,233	30,579	23,778	22,625	19,464	13,740
General and administrative	13,089	11,464	51,375	47,635	41,986	23,175	20,562
Depreciation and amortization	8,054	5,489	28,368	27,240	20,293	12,571	7,448
Operating income	47,100	23,051	146,045	152,455	105,764	71,827	58,977
Other (income) expense, net	44	(42)	(933)	(2,488)	(1,554)	39	1,997
Interest expense, net	5,264	4,253	17,363	20,256	19,735	11,854	7,564
Total other expense	5,308	4,211	16,430	17,768	18,181	11,893	9,561
Income before income taxes	41,792	18,840	129,615	134,687	87,583	59,934	49,416
Provision for income taxes	14,447	5,426	40,563	37,405	25,998	21,957	18,748
Net income	$ 27,345	$ 13,414	$ 89,052	$ 97,282	$ 61,585	$ 37,977	$ 30,668
Pro forma earnings per share (unaudited)(2):							
Earnings per share, basic	$	$	$	$	$	$	$
Earnings per share, diluted							
Weighted average shares outstanding, basic							
Weighted average shares outstanding, diluted							
Balance sheet data (at end of period)							
Cash and cash equivalents	$ 86,357	$ 84,701	$ 84,701	$ 70,355	$ 68,864	$ 18,191	$
Restricted cash (3)	65,345	67,979	67,979	71,222	76,797	64,016	
Total assets	1,474,467	1,209,545	1,209,545	929,062	875,106	657,925	266,359

Total debt	533,238	351,551	351,551	370,747	341,851	255,032	127,543
Total stockholders equity	502,323	474,049	474,049	273,264	192,009	158,482	58,179
Other financial information (unaudited):							
EBITDA(4)	$ 55,110	$ 28,582	$ 175,346	$ 182,183	$ 127,611	$ 84,359	$ 64,428
Adjusted EBITDA(4)	55,110(5)	29,882	180,646	197,983	143,811	97,494	71,411
Adjusted net income(4)	31,457	16,553	103,938	112,732	71,139	42,756	33,127

Table of Contents

Index to Financial Statements

(1) In June 2009, the Financial Accounting Standards Board, or FASB, issued authoritative guidance limiting the circumstances in which a financial asset may be derecognized when the transferor has not transferred the entire financial asset or has continuing involvement with the transferred asset. This guidance was effective for us as of January 1, 2010. As a result of the adoption of such guidance, effective January 1, 2010, our statements of income will no longer include securitization activities in revenue. Rather, we will report interest income, provision for bad debts and interest expense associated with the debt securities issued from our securitization facility.

(2) Pro forma to give effect to (1) the conversion of all outstanding shares of our convertible preferred stock into shares of our common stock immediately prior to the closing of this offering as though the conversion had occurred at the beginning of the indicated fiscal period, (2) the forgiveness of all cumulative dividends on our convertible preferred stock, except for a portion of the dividends related to the Series D-3 convertible preferred stock where holders will receive cash dividends of approximately $6.5 million calculated as of March 31, 2010, (3) a -for- stock split of shares of our common stock prior to the closing of this offering, (4) the issuance of shares of restricted stock to certain employees in June 2010 pursuant to restricted stock award agreements and (5) compensation expense of approximately $ million related to shares of restricted stock which will vest upon the closing of this offering (assuming the price to the public is at the midpoint of the estimated price range set forth on the cover page of this prospectus).

(3) Restricted cash represents customer deposits repayable on demand.

(4) EBITDA is calculated as net income before the provision for income taxes, interest expense, net and depreciation and amortization. Adjusted EBITDA is calculated as EBITDA adjusted for the incremental interest expense attributable to our securitization facility. Adjusted net income is calculated as net income, adjusted to eliminate (a) stock-based compensation expense related to share-based compensation awards, (b) amortization of deferred financing costs and intangible assets and (c) amortization of the premium recognized on the purchase of receivables. We prepare adjusted net income to eliminate the effect of items that we do not consider indicative of our core operating performance. EBITDA, adjusted EBITDA and adjusted net income are supplemental measures of operating performance that do not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by U.S. generally accepted accounting principles, or U.S. GAAP, and our calculation thereof may not be comparable to that reported by other companies. EBITDA, Adjusted EBITDA and adjusted net income have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of the limitations are:

- EBITDA, adjusted EBITDA and adjusted net income do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

- EBITDA, adjusted EBITDA and adjusted net income do not reflect changes in, or cash requirements for, our working capital needs;

- adjusted net income does not reflect the non-cash component of employee compensation;

- EBITDA and adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; and

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and adjusted EBITDA do not reflect any cash requirements for such replacements.

We compensate for these limitations by relying primarily on our U.S. GAAP results and using EBITDA, adjusted EBITDA and adjusted net income only supplementally. We also compensate for these limitations by disclosing such limitations and reconciling EBITDA, adjusted EBITDA and adjusted net income to the most directly comparable U.S. GAAP measure, net income. Further, we also review U.S. GAAP measures and evaluate individual measures that are not included in EBITDA, adjusted EBITDA and adjusted net income. We believe that our presentation of these U.S. GAAP and non-GAAP financial measurements provides information that is useful to analysts and investors because they are important indicators of the strength of our operations and the performance of our core business. We believe it is useful to exclude stock-based compensation expense from adjusted net income because non-cash equity grants made at a certain price and point in time do not necessarily reflect how our business is performing at any particular time and stock-based compensation expense is not a key measure of our core operating performance. We also believe that amortization expenses can vary substantially from company to company and from period to period depending upon their financing and accounting methods, the fair value and average expected life of their acquired intangible assets, their capital structures and the method by which their assets were acquired; therefore, we have excluded amortization expense from our adjusted net income.

Management uses EBITDA, adjusted EBITDA and adjusted net income:

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

In addition, management uses EBITDA and adjusted EBITDA to calculate incentive compensation for our employees.

We believe these measurements are used by investors as supplemental measures to evaluate the overall operating performance of companies in our industry. By providing these non-GAAP financial measures, together with reconciliations, we believe we are enhancing investors understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing strategic initiatives.

Table of Contents

Index to Financial Statements

The following table reconciles net income to EBITDA and adjusted EBITDA:

(in thousands)	Three Months ended March 31, 2010	2009	Year ended December 31, 2009	2008	2007	2006	2005
Net income	$ 27,345	$ 13,414	$ 89,052	$ 97,282	$ 61,585	$ 37,977	$ 30,668
Provision for income taxes	14,447	5,426	40,563	37,405	25,998	21,957	18,748
Interest expense, net	5,264	4,253	17,363	20,256	19,735	11,854	7,564
Depreciation and amortization	8,054	5,489	28,368	27,240	20,293	12,571	7,448
EBITDA	55,110(5)	28,582	175,346	182,183	127,611	84,359	64,428
Incremental interest expense(a)	N/A(5)	1,300	5,300	15,800	16,200	13,135	6,983
Adjusted EBITDA(a)	$ 55,110(5)	$ 29,882	$ 180,646	$ 197,983	$ 143,811	$ 97,494	$ 71,411

(a) We utilize an off-balance sheet securitization facility in the ordinary course of our business to finance a portion of our accounts receivable. Accounts receivable that we sell under the securitization facility are reported in our consolidated financial statements in accordance with relevant authoritative literature. Trade accounts receivable sold under this program are excluded from accounts receivable in our consolidated financial statements. In June 2009, the Financial Accounting Standards Board, or FASB, issued authoritative guidance limiting the circumstances in which a financial asset may be derecognized when the transferor has not transferred the entire financial asset or has continuing involvement with the transferred asset. This guidance was effective for us as of January 1, 2010. As a result of the adoption of such guidance, effective January 1, 2010, our statements of income no longer include securitization activities in revenue. Rather, we report interest income, provision for bad debts and interest expense associated with the debt securities issued from our securitization facility. Although the provision for bad debts and interest expense related to our securitization facility are currently reported in revenue, we monitor these costs on a managed basis. Our revenue, processing expense, provision for bad debts and interest expense on a managed basis are set forth and reconciled under Management s Discussion and Analysis of Financial Condition and Results of Operations Accounts Receivable Securitization . The incremental interest expense represents the additional amount of interest expense that would have been reported if the new authoritative guidance discussed herein was applied to all years presented.

The following table reconciles net income to adjusted net income:

(in thousands)	Three Months ended March 31, 2010	2009	Year ended December 31, 2009	2008	2007	2006	2005
Net income	$ 27,345	$ 13,414	$ 89,052	$ 97,282	$ 61,585	$ 37,977	$ 30,668
Stock-based compensation expense	853	858	2,666	2,758	1,165	139	93
Amortization of intangible assets	4,188	2,353	13,900	12,038	9,825	4,978	2,060
Amortization of premium on receivables	816	813	3,257	5,471	1,702	1,443	581
Amortization of deferred financing costs	427	385	1,842	1,123	895	982	1,229
Total pre-tax adjustments	6,284	4,409	21,665	21,390	13,587	7,542	3,963
Income tax impact of pre-tax adjustments at the effective tax rate	(2,172)	(1,270)	(6,779)	(5,940)	(4,033)	(2,763)	(1,504)
Adjusted net income	$ 31,457	$ 16,553	$ 103,938	$ 112,732	$ 71,139	$ 42,756	$ 33,127

In addition, adjusted net income (loss) was $24,579, $11,734, $(12,492) and $(1,455) for the years ended December 31, 2004, 2003, 2002 and 2001, respectively. The following table reconciles net income to adjusted net income (loss) for these periods.

	Year ended December 31,			
(in thousands)	**2004**	**2003**	**2002**	**2001**
Net income (loss)	$ 22,708	$ 10,806	$ (18,956)	$ (3,680)
Stock based compensation expense	244	523		
Amortization of goodwill and intangible assets	376	178		990
Goodwill impairment			4,305	
Amortization of discount on related-party notes	119		1,664	732
Amorization of deferred financing costs	1,132	238	513	503
Total pre-tax adjustments	1,871	939	6,482	2,225
Income tax impact of pre-tax adjustments at the effective tax rate		(11)	(18)	
Adjusted net income (loss)	$ 24,579	$ 11,734	$ (12,492)	$ (1,455)

(5) For periods ended subsequent to January 1, 2010 interest expense, net includes incremental interest expense attributable to our securitization facility. Had we continued to include the incremental interest expense attributable to the securitization facility of $1.0 million within revenue for the quarter ended March 31, 2010, EBITDA would have been $54.1 million.

Table of Contents

Index to Financial Statements

Risk factors

This offering involves a high degree of risk. In addition to the other information contained in this prospectus, prospective investors should carefully consider the following risks before investing in our common stock. If any of the following risks actually occur, our business, operating results and financial condition could be materially adversely affected. As a result, the trading price of our common stock could decline, and you may lose all or part of your investment in our common stock. 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 Special note regarding forward-looking statements in this prospectus.

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 2009, approximately 19.1% of our consolidated revenue, as adjusted for the impact of the new accounting guidance related to our securitization facility as described under the heading Management s discussion and analysis of financial condition and results of operations Accounts receivable securitization , was directly influenced by the absolute price of fuel. In this prospectus, for the periods between January 1, 2005 and December 31, 2009, we refer to our consolidated revenue as adjusted for the impact of the new accounting guidance related to our securitization facility as our consolidated revenue on a managed basis . For the periods prior to January 1, 2005, we did not maintain a securitization facility. 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;
- political conditions in oil-producing and gas-producing nations, including insurgency, terrorism or war;
- oil refinery capacity;
- weather;
- the prices of foreign exports;
- 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 18.6% of our consolidated revenue on a managed basis in 2009 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

11

Table of Contents

Index to Financial Statements

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.

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, many of which are small to mid-sized businesses. 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 fraudulently completed. Changes in our industry and movement in fuel prices may result in periodic increases to customer credit limits and spending and, as a result, 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. 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. Although the provision for bad debts and interest expense related to our securitization facility were included as a component of net revenue for the periods prior to January 1, 2010 in accordance with then-prevailing accounting guidance, we considered such amounts an expense for the periods prior to January 1, 2010. Accordingly, for internal reporting purposes, we included such amount as a component of operating expense, which we refer to as on a managed basis. As further described under the heading Management s discussion and analysis of financial condition and results of operations Accounts receivable securitization , on a managed basis, our provision for bad debts equaled $32.6 million for the year ended December 31, 2009. For the quarter ended March 31, 2010, our provision for bad debts equaled $5.3 million.

We derive a 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, late payments and optional services. We derived approximately 54.0% of our consolidated revenue on a managed basis from these fees and charges during the year ended December 31, 2009 and approximately 55.5% of our consolidated revenue from these fees and charges during the quarter ended March 31, 2010. If the users of our cards decrease their transaction activity, the extent to which they pay invoices late or their use of optional services, 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.

Table of Contents

Index to Financial Statements

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. Our primary competitors in the United States 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. We also compete for customers with providers of alternative payment mechanisms, such as financial institutions that issue corporate and consumer credit cards and merchants offering house cash accounts or other forms of credit. Our primary competitors in Europe 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.

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