



Corpay's First Quarter 2026 Earnings Conference Call

- Prepared Remarks

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Ron Clarke

Chief Executive Officer

Peter Walker

Chief Financial Officer

Jim Eglseder

SVP, Global Investor Relations



Jim Eglseder, SVP, Global Investor Relations

Our earnings release and supplemental materials for the quarter are available on the Investor Relations section of Corpay.com. Please refer to these materials for an explanation of the non- GAAP financial measures discussed on this call, along with a reconciliation of those measures to the nearest applicable GAAP measures. Our remarks today will include forward-looking statements about expected operating and financial results, strategic initiatives, acquisitions and synergies, and divestitures, among other matters. Forward-looking statements may differ materially from actual results and are subject to a number of risks and uncertainties. Some of those risks are mentioned in today's press release on Form 8-K, and can also be found in our annual report on Form 10-k. These documents are available on our website, and at SEC.gov.

Ron Clarke, Chief Executive Officer

Up front, I'll plan to cover 4 subjects...

- First, I'll provide my take on Q1 results
- Second, I'll share our revised guidance for full year 2026
- Third, I'll review progress against our top priorities
- And then lastly, I'll share our thoughts on our mid-term direction

Q1 Results

Let me begin with Q1 results, which were outstanding.

We reported revenue of \$1.26 B, up 25%, and cash eps of \$5.80, up 29%. Importantly, about two thirds of our \$50M Q1 revenue beat vs. guidance was simply better than expected financial performance, not macro.



For us, Q1 was a blowout quarter. Q1 overall organic revenue growth was 11%...

- That makes 4 consecutive quarters of 11%
- Corporate Payments grew 16%, 18% ex-float...and reached 40% of our overall revenues
- Vehicle Payments grew 10%, with all 3 geographies contributing
- Lodging improved meaningfully sequentially, landing flat for the quarter

Q1 operating trends were also quite good

- Overall retention finished at 93.5%, this metric now includes our cross-border business
- New sales or bookings grew 24%
- And SSS finished flat

So we're clearly off to a terrific start.

2026 Revised Guidance

Let me transition to our 2026 guidance. Given our Q1 performance and current trends, the raise to our full year guidance is pretty straight forward.

We're raising full year 2026 revenue guidance to \$5,290 at the midpoint...driven by...

- The flow through of our \$50M Q1 revenue beat
- Increasing ROY revenue guidance an additional \$50M, from higher fuel prices for longer and expected ROY better fundamental performance



- Subtracting \$75M from ROY revenue to reflect our March 31st Pay-by-Phone divestiture

We continue to expect 10% organic revenue growth for the year...our most important measure of “durability”.

We’re raising full year 2026 cash eps guidance to \$26.70 at the midpoint, as a result of...

- Flow through of our \$0.35 Q1 eps beat
- Assuming an additional \$0.35 rest-of-year cash eps raise from the expected higher revenue
- Lower share count, from YTD share buybacks, offsetting higher than expected SOFR rates

You can see this bridge guidance math on page 11 of our earnings supplement.

This higher full year 2026 guidance implies...

- 17% revenue growth for the full year
- And 25% cash eps growth for the full year

All the ingredients for a very good 2026 financial performance are holding:

- Terrific Q1 print
- Very good sales and retention trends
- Continuing favorable macro environment
- Very good Alpha and Avid performance



2026 Priorities

Let me turn to our top 5 priorities, laid out in February, which are unchanged...they are...

Portfolio: rotating our portfolio to Corporate Payments and fewer bigger businesses

USA Sales: increasing USA sales production by focusing on the middle market

Payables: widening “monetization” beyond virtual cards, and launching a European spend management business

Cross Border: furthering development of our MCA banking business, integrating our Alpha acquisition, and adding real-time blockchain rails to our settlement network

AI: incorporating AI into our products, and secondly on internal process redesign and expense savings.

I'll touch on progress in just a couple areas... specifically our portfolio and cross border initiatives.

Portfolio: on the portfolio front, we're making progress...

- First, our newest Corporate Payments acquisitions and investments are working...
 - ...Alpha grew organic revenue 17% in Q1, excluding float revenue
 - ... Avid grew EBITDA 50% in Q1
 - ...so both off to a good start
- We're in the late innings with a non-core vehicle payments divestiture, and are teeing up a couple more businesses potentially for sale
- Lastly, we're digging into a couple new Corporate Payments acquisition opportunities that are quite interesting

We're committed to further rotating the portfolio to Corporate Payments.

Cross Border: second, on the cross-border front, a lot is happening...

- We're extending the geographies that offer MCA (multi-currency account), or foreign bank account product and seeing good momentum
- We've converted ~15% of Alpha's clients to our global tech platform, with more to follow in June
- We've signed JPM and BVNK agreements to speed the addition of blockchain rails to our existing global settlement network
- All the while, the core CB business, keeps performing exceptionally well. Demand for our CB services has never been higher.

We are laser focused on these 5 top priorities.

Mid-term Preview

Last up today, I'll share our thoughts on our mid-term direction...as we just returned from our annual offsite strategy session. Each year, we get away, debate our purpose, our portfolio, and our objectives, to decide if it makes sense to change course. And, we "always" come back clearer than we go into these sessions. Here are this year's conclusions...

Purpose: On the purpose front, we're staying put. We continue to have a "single purpose"...to help businesses manage and control expenses. Corpay, for every way your business moves money. You'll see our new Corpay brand campaign hammer home this simple theme...to raise awareness of what we do.

Portfolio: On portfolio, we'll continue our rotation to Corporate Payments, and to fewer, bigger businesses. You'll see us divest more non-core, TAM constrained businesses, and acquire more Corporate Payments assets. We're building 3 global businesses over the next few years...

1. **Employee Payments:** Spend management solutions that control distributed employee spend...T/E, Fuel, and one off discretionary purchases. Preventing misuse of company monies.
2. **B2B Payments:** AP and supplier solutions that automate workflow through the entire centralized procurement, invoice, and payments chain. We'll de-risk B2B money movement.

3. **Cross Border Payments:** fx payments, risk management solutions, and foreign bank accounts for middle market companies all over the world, to make global commerce easier.

Post this mid-term portfolio re-mix, we'll end up with 3 global businesses with massive TAM's centered around the same common purpose; helping businesses better manage and control their spending.

Objectives

Our mid-term growth objectives also remain intact, to grow revenue organically at 10%, and remain a top-quartile grower. Our model and operating leverage will enable us to grow earnings faster greater than 15%, with a goal to more than double cash eps to more than \$50 per share during the forecast period.

We expect to generate about \$15 billion in cash during the forecast period...from a combination of annual free cash flow and increased borrowing capacity as our earnings grow. We may buyback more than half of the company at this current valuation. Net, net...we're very clear and super excited about the way forward...we're building a simpler, more attractive, consistent high growth company...that will outperform most.

Conclusion

So look, in conclusion today...

- We couldn't be more delighted with our start to the year.



- We're raising full year 2026 revenue and earnings guidance, with high conviction in delivering the numbers.
- We're working 5 priorities very hard, and making progress.
- And our mid-term purpose, portfolio, and objectives are clear...leading us to a very exciting place.

So with that, let me turn the call back over to Peter to provide some additional detail on the quarter, and our 2026 outlook.

Peter Walker, Chief Financial Officer

The headline for the quarter is significant overperformance, with 25% top line and 29% bottom line growth, and our fourth consecutive quarter of 11% organic revenue growth.

Corporate Payments

Corporate payments delivered 16% organic growth for the quarter despite a 200-basis point drag from float revenue compression driven by lower interest rates. The organic revenue growth exceeded our expectations driven by strong performance in cross-border and payables. Overall, corporate payments performance was driven by growth in spend volumes, which increased organically 43% to \$82 billion.

Cross-Border continued to deliver strong sales and revenue performance in Q1. Overall, currency volatility conditions were a helpful backdrop as it created the opportunity for our sales team to highlight the value of our offerings. Additionally, Alpha integration efforts



are progressing well. Approximately 15% of Alpha corporate volume has already been migrated to our global tech platform with the next wave of migration planned for Q2.

The payables business continued to perform well driven by volume growth and especially strong sales performance in Q1. This sets us up well for the rest of the year. We are also pleased with the progress of AVID, our minority investment, which is reflected as an equity investment in our financials. Sales are up over 20% versus Q1 2025. Volumes and revenue are also up, and EBITDA grew 50% over Q1 2025.

Vehicle Payments

Vehicle Payments organic growth was 10% driven by solid results across all three geographies. Higher fuel prices benefitted this segment, driving a portion of the macro beat in the quarter. Additionally, we closed the sale of PayByPhone and have taken \$75 million out of our rest-of-year guide as a result. As reminder, the sale has no material impact on our adjusted EPS as we bought back shares with the sale proceeds.

Lodging Payments

Lodging came in better than we expected, with sequential organic revenue growth improvement of 7% vs Q4 2025. We saw better performance in all areas of the business, raising our confidence in the 2026 lodging growth acceleration planned for the second half of the year.

In summary, we delivered 11% organic growth in Q1, 200 bps better than we expected, and at the high end of our mid-term range. Our corporate payments and vehicle payments



segments totaled 85% of our Q1 2026 revenue and delivered a combined organic growth rate of 12%. Sales growth of 24% and retention rates over 93% in Q1 remain impressive. As such, we are encouraged by our strong Q1 and it strengthens our conviction on achieving our increased full-year guidance.

Income Statement

Operating costs, excluding the impact of FX, M&A and stock compensation, increased 10%. The increase was primarily due to higher transaction volumes and higher bad debt. Adjusted EBITDA margin of 54.6% was slightly down over the prior year primarily due to acquisitions. Our adjusted effective tax rate for the quarter was 26.8%. The year-over-year increase in the rate was due to the favorable impact of employee stock options on the tax rate last year.

Balance Sheet

We ended the quarter in excellent shape with a leverage ratio of 2.7 times and \$1.4 billion of available borrowing capacity on our revolver. In the quarter, we spent \$786 million repurchasing 2.4 million shares. This includes the use of \$450M of PayByPhone sale proceeds as we essentially “pre-purchased” Corpay shares in advance of receiving the proceeds. As of Q1, we have ~\$1.8 billion authorized for share repurchases, as the Board approved another \$1 billion at the most recent board meeting.

We have just received commitments to refinance our revolver and Term Loan A. The commitments will upsize our credit facility by over \$1 billion versus existing levels. This re-financing will extend the maturity of the facility for five years and will reduce the interest rate by 10 basis points. We plan to use \$1 billion of proceeds from the new facility to pay



down a portion of our Term Loan B expiring in April 2028. This will result in overall lower interest expense going forward. We have not reflected this in our guidance as the deal is expected to close and fund later this month. As always, we will continue to pursue M&A opportunities and to buy back shares particularly at the current valuation, while maintaining leverage within our target range.

Segment Geography Changes

We have made minor reporting segment geography changes to better align our reporting with how we run the business. You can find the adjusted historical information in the earnings supplement to help you update your models.

Guidance and Outlook

Our updated 2026 revenue guidance is \$5.290 billion at the mid-point, growing 17% year over year. This assumes 10% organic revenue growth at the midpoint. Our updated outlook flows through our Q1 beat of \$50 million, increases the remaining year's revenue by \$50 million driven by a combination of macro favorability and business fundamentals, and is offset by \$75 million from the sale of PayByPhone. Our updated rest-of-year guidance for adjusted EPS is \$26.70 per share at the midpoint, growing 25% year over year.

Our Q2 revenue guidance is \$1.295 billion at the midpoint, growing 18% year over year. We expect Q2 organic revenue growth in the range of 9-11%. We expect adjusted EPS of \$6.55 at the midpoint, growing 28% year over year.



The complete details regarding our revised full year and Q2 outlook can be found in our press release and earnings supplement.

About Corpay

Corpay (NYSE: CPAY), the Corporate Payments Company, is a global S&P 500 provider of commercial cards (e.g, business cards, fleet cards, virtual cards) and AP modernization solutions (e.g., invoice and payments automation, cross border payments) to businesses worldwide. Corpay solutions “keep business moving” and result in our customers better controlling purchases, mitigating fraud, and ultimately spending less. To learn more visit www.corpay.com