

Lantheus Holdings, Inc.
Form 10-Q
August 04, 2016
Table of Contents

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2016

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 001-36569

LANTHEUS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

35-2318913
(IRS Employer

Identification No.)

331 Treble Cove Road, North Billerica, MA
(Address of principal executive offices)

01862
(Zip Code)

(978) 671-8001

(Registrant's telephone number, including area code)

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

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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 by Rule 12b-2 of the Act) Yes No

The registrant had 30,387,768 of common stock, \$0.01 par value per share, issued and outstanding as of August 1, 2016.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	1
<u>Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2016 and 2015</u>	1
<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2016 and 2015</u>	2
<u>Condensed Consolidated Balance Sheets as of June 30, 2016 and December 31, 2015</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2016 and 2015</u>	4
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	5
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	31
Item 4. <u>Controls and Procedures</u>	32
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	32
Item 1A. <u>Risk Factors</u>	33
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	35
Item 3. <u>Defaults Upon Senior Securities</u>	35
Item 4. <u>Mine Safety Disclosures</u>	35
Item 5. <u>Other Information</u>	35
Item 6. <u>Exhibits</u>	36
<u>Signatures</u>	37
<u>Exhibit Index</u>	38

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)****Lantheus Holdings, Inc. and subsidiaries****Condensed Consolidated Statements of Operations****(unaudited, in thousands, except share data)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues	\$ 77,966	\$ 73,314	\$ 154,440	\$ 148,137
Cost of goods sold	42,215	40,647	84,988	79,701
Gross profit	35,751	32,667	69,452	68,436
Operating expenses				
Sales and marketing expenses	9,843	9,229	19,150	18,301
General and administrative expenses	9,238	15,444	18,751	24,567
Research and development expenses	2,608	2,638	5,644	8,834
Total operating expenses	21,689	27,311	43,545	51,702
Gain on sale of assets	117		5,945	
Operating income	14,179	5,356	31,852	16,734
Interest expense, net	(6,978)	(13,876)	(13,996)	(24,499)
Loss on extinguishment of debt		(15,528)		(15,528)
Other income, net	396	800	454	417
Income (loss) before income taxes	7,597	(23,248)	18,310	(22,876)
Provision for income taxes	247	1,175	637	1,172
Net income (loss)	\$ 7,350	\$ (24,423)	\$ 17,673	\$ (24,048)
Net income (loss) per weighted average common share outstanding:				
Basic and Diluted	\$ 0.24	\$ (1.29)	\$ 0.58	\$ (1.30)
Weighted average common shares outstanding:				
Basic	30,377,562	18,898,003	30,372,901	18,489,451
Diluted	30,542,728	18,898,003	30,453,776	18,489,451

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

Lantheus Holdings, Inc. and subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(unaudited, in thousands)

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	\$ 7,350	\$ (24,423)	\$ 17,673	\$ (24,048)
Foreign currency translation	(84)	(16)	256	(374)
Total comprehensive income (loss)	\$ 7,266	\$ (24,439)	\$ 17,929	\$ (24,422)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Lantheus Holdings, Inc. and subsidiaries****Condensed Consolidated Balance Sheets****(Unaudited, in thousands, except share data)**

	June 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 54,851	\$ 28,596
Accounts receivable, net of allowance of \$989 and \$881	39,457	37,293
Inventory	14,433	15,622
Other current assets	4,282	3,851
Assets held for sale		4,644
Total current assets	113,023	90,006
Property, plant and equipment, net	84,422	86,517
Capitalized software development costs, net	8,121	9,137
Intangibles, net	17,949	20,496
Goodwill	15,714	15,714
Other long-term assets	20,038	20,509
Total assets	\$ 259,267	\$ 242,379
Liabilities and Stockholders Deficit		
Current liabilities:		
Current portion of long-term debt	\$ 3,650	\$ 3,650
Accounts payable	12,778	11,657
Accrued expenses and other liabilities	17,664	18,502
Liabilities held for sale		1,715
Total current liabilities	34,092	35,524
Asset retirement obligation	8,650	8,145
Long-term debt, net	348,838	349,858
Other long-term liabilities	34,055	34,141
Total liabilities	425,635	427,668
Commitments and contingencies (See Note 16)		
Stockholders deficit:		
Preferred stock (\$0.01 par value, 25,000,000 shares authorized; no shares issued and outstanding)		
Common stock (\$0.01 par value, 250,000,000 shares authorized; 30,385,437 and 30,364,501 shares issued and outstanding)	303	303
Additional paid-in capital	176,545	175,553

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Accumulated deficit	(341,487)	(359,160)
Accumulated other comprehensive loss	(1,729)	(1,985)
Total stockholders deficit	(166,368)	(185,289)
Total liabilities and stockholders deficit	\$ 259,267	\$ 242,379

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

Lantheus Holdings, Inc. and subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited, in thousands)

	For the Six Months Ended June 30,	
	2016	2015
Cash flows from operating activities		
Net income (loss)	\$ 17,673	\$ (24,048)
Adjustments to reconcile net loss to cash flow from operating activities		
Depreciation and amortization	9,358	12,573
Provision for excess and obsolete inventory	818	467
Stock-based compensation	992	933
Loss on extinguishment of debt		15,528
Gain on sale of assets	(5,945)	
Other	118	1,457
Increase (decrease) in cash from operating assets and liabilities		
Accounts receivable	(2,009)	4,258
Inventory	525	(474)
Other current assets	393	(368)
Accounts payable	1,474	108
Accrued expenses and other liabilities	(1,982)	(6,715)
Cash provided by operating activities	21,415	3,719
Cash flows from investing activities		
Proceeds from sale of assets	9,000	
Capital expenditures	(2,388)	(6,112)
Redemption of certificate of deposit - restricted	74	
Cash provided by (used in) investing activities	6,686	(6,112)
Cash flows from financing activities		
Proceeds from issuance of common stock in initial public offering		73,539
Payments for initial public offering costs		(5,255)
Proceeds from issuance of long-term debt		360,438
Payments on long-term debt	(1,861)	
Payments on senior notes		(400,000)
Payment for call premium on senior notes		(9,752)
Payments on line of credit		(8,000)
Payments for offering costs		(563)
Payments on note payable		(37)
Deferred financing costs	(11)	(5,315)

Cash (used in) provided by financing activities	(1,872)	5,055
Effect of foreign exchange rate on cash	26	(201)
Increase in cash and cash equivalents	26,255	2,461
Cash and cash equivalents, beginning of period	28,596	19,739
Cash and cash equivalents, end of period	\$ 54,851	\$ 22,200

Supplemental disclosure of cash flow information

Interest paid	\$ 12,790	\$ 27,741
Income taxes paid	\$ 273	\$ 73

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

Lantheus Holdings, Inc. and subsidiaries

Notes to Unaudited Condensed Consolidated Financial Statements

Unless the context otherwise requires, references to the Company and Lantheus refer to Lantheus Holdings, Inc. and its direct and indirect subsidiaries, references to Holdings refer to Lantheus Holdings, Inc. and not to any of its subsidiaries, and references to LMI refer to Lantheus Medical Imaging, Inc., the direct subsidiary of Holdings. Solely for convenience, we refer to trademarks, service marks and trade names without the TM, SM and ® symbols. Those references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent permitted under applicable law, its rights to its trademarks, service marks and trade names.

1. Business Overview

Overview

Holdings, a Delaware corporation, is the parent company of LMI, also a Delaware corporation.

The Company develops, manufactures and commercializes innovative diagnostic medical imaging agents and products that assist clinicians in the diagnosis and treatment of cardiovascular and other diseases. The Company's commercial products are used by cardiologists, nuclear physicians, radiologists, internal medicine physicians, sonographers, and technologists working in a variety of clinical settings. The Company sells its products to radiopharmacies, hospitals, clinics, group practices, integrated delivery networks and group purchasing organizations. The Company sells its products globally and has operations in the United States, Canada, Puerto Rico and Australia and distribution relationships in Europe, Asia Pacific and Latin America.

The Company's portfolio of 10 commercial products is diversified across a range of imaging modalities. The Company's imaging agents and products include the following:

DEFINITY is the leading ultrasound contrast imaging agent used by cardiologists and sonographers during cardiac ultrasound, or echocardiography, exams based on revenue and usage. DEFINITY is an injectable agent that, in the United States, is indicated for use in patients with suboptimal echocardiograms to assist in the visualization of the left ventricle, the main pumping chamber of the heart. The use of DEFINITY in echocardiography allows physicians to significantly improve their assessment of the function of the left ventricle.

TechneLite is a self-contained system, or generator, of technetium (Tc99m), a radioisotope with a six hour half-life, used by radiopharmacies to prepare various nuclear imaging agents.

Xenon Xe 133 Gas, or Xenon, is a radiopharmaceutical gas that is inhaled and used to assess pulmonary function and also cerebral blood flow.

Neurolite is an injectable, technetium-labeled imaging agent used with Single Photon Emission Computed Tomography, or SPECT, technology to identify the area within the brain where blood flow has been blocked

or reduced due to stroke.

Cardiolite is an injectable, technetium-labeled imaging agent, also known by its generic name sestamibi, used with SPECT technology in myocardial perfusion imaging, or MPI, procedures that assess blood flow distribution to the heart.

In the United States, the Company sells DEFINITY through its sales team that calls on healthcare providers in the echocardiography space, as well as group purchasing organizations and integrated delivery networks. The Company's radiopharmaceutical products are primarily distributed through commercial radiopharmacies owned or controlled by third parties. In Puerto Rico and Australia, the Company owns three radiopharmacies and sells its own radiopharmaceuticals, as well as others, directly to end users. In Canada, Europe, Asia Pacific and Latin America, the Company utilizes distributor relationships to market, sell and distribute its products.

Basis of Consolidation and Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Table of Contents

In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the Company's financial statements for interim periods in accordance with U.S. GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, or the SEC. The information included in this quarterly report should be read in conjunction with the Company's consolidated financial statements and the accompanying notes for the year ended December 31, 2015 included in the Company's Form 10-K filed with the SEC on March 2, 2016. The Company's accounting policies are described in the Notes to Consolidated Financial Statements in the Form 10-K and updated, as necessary, in this quarterly report. There were no changes to the Company's accounting policies since December 31, 2015. The year-end condensed consolidated balance sheet data presented for comparative purposes was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. The results of operations for the three and six months ended June 30, 2016 are not necessarily indicative of the operating results for the full year or for any other subsequent interim period.

The Company currently relies on Jubilant HollisterStier, or JHS, as its sole source manufacturer of DEFINITY, Neurolite and evacuation vials for TechneLite. The Company has additional ongoing technology transfer activities at JHS for its Cardiolite product supply, which is currently approved for manufacture by a single manufacturer. The Company has technology transfer activities ongoing at Pharmeducence for the manufacture and supply of DEFINITY, but such activities have been further delayed and the Company cannot predict when or if Pharmeducence will be able to manufacture and supply DEFINITY.

Until the Company successfully becomes dual sourced for its principal products, the Company is vulnerable to future supply shortages. Disruption in the financial performance of the Company could also occur if it experiences significant adverse changes in customer mix, broad economic downturns, adverse industry or Company conditions or catastrophic external events. If the Company experiences one or more of these events in the future, it may be required to implement additional expense reductions, such as a delay or elimination of discretionary spending in all functional areas, as well as scaling back select operating and strategic initiatives.

The Company has historically been dependent on key customers and group purchasing organizations for the majority of the sales of its medical imaging products. The Company's ability to maintain and profitably renew those contracts and relationships with those key customers and group purchasing organizations is an important aspect of the Company's strategy.

Borrowing capacity under the \$50.0 million revolving credit facility, or the Revolving Facility, is calculated by reference to a borrowing base consisting of a percentage of certain eligible accounts receivable, inventory and machinery and equipment minus any reserves, or the Borrowing Base. If the Company is not successful in achieving its forecasted operating results, the Company's accounts receivable and inventory could be negatively affected, thus reducing the Borrowing Base and limiting the Company's borrowing capacity. As of June 30, 2016, the aggregate Borrowing Base was approximately \$43.3 million, which was reduced by the \$8.8 million unfunded Standby Letter of Credit and \$0.1 million in accrued interest, resulting in a net Borrowing Base availability of approximately \$34.4 million."bottom"> 10

LEGAL MATTERS

14

EXPERTS

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we have filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Using this process, selling stockholders may offer shares of our common stock in one or more offerings or resales.

This prospectus provides you with a general description of the common stock selling stockholders may offer. Each time selling stockholders sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement and any free writing prospectus may also add to, update, supplement or clarify information contained in this prospectus. Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a prospectus supplement. Please carefully read this prospectus, any applicable prospectus supplement and any applicable pricing supplement, in addition to the information contained in the documents we refer to under the heading **Where You Can Find More Information**.

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.

We have not authorized anyone to give you any information or to make any representations about our common stock or any offers by our selling stockholders, other than those contained in this prospectus, applicable prospectus supplements or any free writing prospectus prepared by us. You should only rely on information incorporated by reference or provided in this prospectus, any applicable prospectus supplement or any free writing prospectus. This prospectus is not an offer to sell anywhere or to anyone where or to whom the selling stockholders are not permitted to offer to sell securities under applicable law.

You should not assume that the information incorporated by reference or provided in this prospectus, any applicable prospectus supplement or any free writing prospectus prepared by us is accurate as of any date other than the date on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since that date.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and we file annual, quarterly and current reports and other information with the SEC. You can read our SEC filings, including the registration statement and all filed exhibits and schedules thereto, over the Internet at the SEC's website at www.sec.gov. To receive copies of public records not posted to the SEC's web site at prescribed rates, you may complete an online form at <http://www.sec.gov>, send a fax to (202) 772-9337 or submit a written request to the SEC, Office of FOIA/PA Operations, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information. You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Our SEC filings are also available in the investor relations portion of our website at investor.fleetcor.com. The information on, or accessible through, our website is not part of this prospectus unless specifically incorporated by reference herein.

The SEC allows us to incorporate by reference into this prospectus the information we file with it. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act; provided, however, that we are not incorporating by reference any information furnished (but not filed) under Item 2.02 or Item 7.01 of any Current Report on Form 8-K:

- (a) Annual Report on Form 10-K for the year ended December 31, 2011;

Table of Contents

- (b) Definitive Proxy Statement on Schedule 14A filed with the SEC on April 25, 2011 (excluding those portions that were not incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2010);
- (c) Current Reports on Form 8-K filed on February 8, 2012 and March 13, 2012 and Current Report on Form 8-K/A filed on February 27, 2012; and
- (d) The description of our common stock, \$0.001 par value per share, set forth in the registration statement on Form 8-A filed with the SEC on December 10, 2010, including any amendment or report filed with the SEC for the purpose of updating this description.

You may request a copy of these filings at no cost, by writing to or telephoning us at the following address:

FleetCor Technologies, Inc.

Attention: General Counsel

5445 Triangle Parkway, Suite 400

Norcross, Georgia 30092-2575

(770) 449-0479

Table of Contents

PROSPECTUS SUMMARY

The following summary does not contain all the information that may be important to purchasers of our common stock. You should carefully read the entire prospectus and the financial statements, notes to financial statements and other information incorporated by reference in this prospectus before making any investment decision.

Our Company

FleetCor is a leading independent global provider of specialized payment products and services to businesses, commercial fleets, major oil companies, petroleum marketers and government entities in countries throughout North America, Latin America and Europe. Our payment programs enable our customers 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 2011, we processed more than 215 million transactions 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. 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 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 (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.

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

ranging from a comprehensive end-to-end solution (encompassing issuing, processing and network services) to limited back office processing services. In addition, we offer a telematics solution in Europe 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. Furthermore, we offer prepaid fuel and food vouchers and cards in Mexico that may be used as a form of payment in restaurants, grocery stores and gas stations. Approximately 10.4% of our revenue during the year ended December 31, 2011 came from our lodging and telematics products.

Corporate Information

FleetCor's predecessor company was organized in the United States in 1986. Our principal executive offices are located at 5445 Triangle Parkway, Suite 400, Norcross, Georgia 30092-2575, and our telephone number at that address is (770) 449-0479. Our website is located at www.fleetcor.com. The information on, or accessible through, our website is not part of this prospectus unless specifically incorporated by reference herein.

Table of Contents

RISK FACTORS

An investment in our common stock involves risk. Before investing in our common stock, you should carefully consider the risks described below as well as other factors and information included in or incorporated by reference into this prospectus, including the risk factors set forth in Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and subsequently filed SEC reports. Any such risks could materially and adversely affect our business, financial condition or results of operations. However, the selected risks described below and the risks incorporated by reference herein are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. In such a case, the trading price of our common stock could decline and you may lose all or part of your investment in our company.

Risks Related to this Offering

Any shares offered by this prospectus could result in a substantial amount of previously restricted shares of our common stock becoming unrestricted, which may depress the market price of our common stock.

Any shares of common stock offered by this prospectus were, prior to this offering, subject to the volume limitations and other restrictions of Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. The sale by any selling stockholder of the shares of common stock offered by this prospectus will increase the number of shares of our common stock eligible to be traded without regard to such volume limitations and other restrictions and could depress the market price of our common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus and the documents incorporated herein by reference are forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, in contrast with statements that reflect historical facts. In some cases, we have identified such forward-looking statements with typical conditional words such as anticipate, intend, believe, estimate, plan, project or expect, may, will, would, could or should, the negative of these terms or other comparable terminology.

These forward-looking statements are not a guarantee of performance, and you should not place undue reliance on such statements. We have based these forward-looking statements largely on our current expectations and projections about future events. Forward-looking statements are subject to many uncertainties and other variable circumstances, including those discussed in this prospectus under the heading Risk Factors and in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference in this prospectus, 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 contained in this prospectus and the documents incorporated herein by reference speak only as of the date they were made. We do not undertake, and specifically decline, 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

USE OF PROCEEDS

We will not receive any proceeds from the sale of any shares of our common stock offered by any selling stockholder.

Table of Contents**MARKET PRICE OF COMMON STOCK**

Our common stock is traded on the New York Stock Exchange under the symbol FLT. Shares of our common stock commenced trading on December 15, 2010. On February 29, 2012 there were 82,705,851 shares of our common stock outstanding, held by approximately 76 stockholders of record. On March 12, 2012, the closing price of our common stock was \$37.20. The following table sets forth the high and low sales prices per share of our common stock for the periods indicated:

	High Sale Price	Low Sale Price
2012:		
First Quarter (through March 12, 2012)	\$ 37.69	\$ 29.81
2011:		
Fourth Quarter	\$ 30.40	\$ 25.43
Third Quarter	\$ 30.35	\$ 24.28
Second Quarter	\$ 38.00	\$ 28.78
First Quarter	\$ 35.13	\$ 28.75
2010:		
Fourth Quarter (beginning December 15, 2010)	\$ 31.43	\$ 24.50

Table of Contents

DIVIDEND POLICY

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 agreement restricts 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.

Table of Contents

PLAN OF DISTRIBUTION

The selling stockholders may sell the common stock covered by this prospectus from time to time in any of three ways (or in any combination):

to or through underwriters or dealers;

directly to one or more purchasers; or

through agents.

The selling stockholders may distribute the common stock from time to time in one or more transactions:

at a fixed price or prices, which may be changed from time to time;

at market prices prevailing at the time of sale;

at prices related to the prevailing market prices; or

at negotiated prices.

Each time the selling stockholders offer and sell shares of our common stock covered by this prospectus, we will provide a prospectus supplement that will describe the method of distribution and set forth the terms of the offering, including:

the name or names of the selling stockholders and the amounts to be sold by them;

the name or names of any underwriters, dealers or agents and the amounts of securities underwritten or purchased by each of them;

the public offering price of the common stock and the proceeds to the selling stockholders;

any over-allotment options under which underwriters may purchase additional common stock from the selling stockholders;

any underwriting discounts or commissions or agency fees and other items constituting underwriters' or agents' compensation;

terms and conditions of the offering;

any discounts, commissions or concessions allowed or reallocated or paid to dealers; and

any securities exchange or market on which the common stock may be listed.

Any public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. The selling stockholders may determine the price or other terms of the common stock offered under this prospectus by use of an electronic auction. We will describe how any auction will determine the price or any other terms, how potential investors may participate in the auction and the nature of the obligations of the underwriter, dealer or agent in the applicable prospectus supplement.

Underwriters, dealers or any other third parties described above may offer and sell the offered common stock from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. If underwriters or dealers are used in the sale of any common stock, the common stock will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions described above. The common stock may be either offered to the public through underwriting syndicates represented by managing underwriters, or directly by underwriters or dealers. Generally, the underwriters or dealers obligations to purchase the common stock will be subject to certain conditions precedent. The underwriters or dealers will be obligated to purchase all of the

Table of Contents

common stock if they purchase any of the common stock, unless otherwise specified in the prospectus supplement. The selling stockholders may use underwriters with whom we or the selling stockholders have a material relationship. We will describe the nature of any such relationship in the prospectus supplement, naming the underwriter.

The selling stockholders may sell the common stock through agents from time to time. The prospectus supplement will name any agent involved in the offer or sale of the common stock and any commissions paid to them. Generally, any agent will be acting on a best efforts basis for the period of its appointment. The selling stockholders may authorize underwriters, dealers or agents to solicit offers by certain purchasers to purchase the common stock from the selling stockholders at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. The contracts will be subject only to those conditions set forth in the prospectus supplement, and the prospectus supplement will set forth any commissions paid for solicitation of these contracts.

Agents, dealers and underwriters may be entitled to indemnification by us or by selling stockholders against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the agents, dealers or underwriters may be required to make in respect thereof. Agents, dealers and underwriters may be customers of, engage in transactions with, or perform services for us in the ordinary course of business.

A prospectus supplement may be used for resales from time to time by any holder of our securities that may acquire such shares of common stock upon an in-kind distribution by any existing security holder of all or a portion of such existing security holder's shares to its limited and general partners. Such selling stockholders may include direct and indirect transferees, pledges, donees and successors of the selling stockholders. Further, a prospectus supplement may be used in connection with sales or resales by any general partner of a selling stockholder in connection with sales by such general partner for cash or subsequent transfers by such general partner to its limited partners of their ratable portion of the shares then owned by such general partner, together with resales of such shares by such limited partners.

Any underwriter may engage in any option to purchase additional securities, stabilizing transactions, short covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. The option to purchase additional securities involves sales in excess of the offering size, which create a short position. This short sales position may involve either covered short sales or naked short sales. Covered short sales are short sales made in an amount not greater than the underwriters' option to purchase additional securities option to purchase additional shares in the offering described above. The underwriters may close out any covered short position either by exercising their option to purchase additional securities or by purchasing securities in the open market. To determine how they will close the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market, as compared to the price at which they may purchase shares through the option to purchase additional securities. Naked short sales are short sales in excess of the option to purchase additional securities. The underwriters must close out any naked short position by purchasing securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that, in the open market after pricing, there may be downward pressure on the price of the securities that could adversely affect investors who purchase securities in this offering. Stabilizing transactions permit bids to purchase the underlying security for the purpose of fixing the price of the security so long as the stabilizing bids do not exceed a specified maximum. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a covering transaction to cover short positions.

Similar to other purchase transactions, an underwriter's purchase to cover syndicate short sales or to stabilize the market price of our common stock may have the effect of raising or maintaining the market price of our common stock or preventing or mitigating a decline in the market price of our common stock. As a result, the

Table of Contents

price of the shares of our common stock may be higher than the price that might otherwise exist in the open market. The imposition of a penalty bid might also have an effect on the price of the shares if it discourages resales of the shares.

As a result of the requirements of the Financial Industry Regulatory Authority, or FINRA, the maximum commission or discount to be received by any FINRA member or independent broker/dealer may not be greater than 8% of the gross offering proceeds received by the selling stockholders. If more than 5% of the net proceeds of any offering of common stock made under this prospectus will be received by a FINRA member participating in the offering or affiliates or associated persons of such FINRA member or any other facts and circumstances relating to the participation of a FINRA member in the offering would give rise to a conflict of interest under FINRA rules, the offering will be conducted in accordance with FINRA Rule 5121.

We, the selling stockholders and any underwriters make no representation or prediction as to the effect that the types of transactions described above may have on the price of the shares. If such transactions are commenced, they may be discontinued without notice at any time.

Table of Contents

DESCRIPTION OF CAPITAL STOCK

The following description summarizes important terms of our capital stock. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation and amended and restated bylaws, which are incorporated by reference herein, as well as the relevant portions of the DGCL. References to our certificate of incorporation and bylaws are to our amended and restated certificate of incorporation and our amended and restated bylaws, respectively.

Common Stock

General. As of February 29, 2012, there were 82,705,851 shares of our common stock outstanding, par value \$0.001 per share, and approximately 76 stockholders of record. Our certificate of incorporation authorizes the issuance of 475,000,000 shares of our common stock.

Voting rights. The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and do not have cumulative voting rights. Unless otherwise required by law, matters submitted to a vote of our stockholders require the approval of a majority of votes cast by stockholders represented in person or by proxy and entitled to vote on such matter, except that directors are elected by a plurality of votes cast. Accordingly, the holders of a majority of the shares of common stock entitled to vote in any election of directors will be able to elect all of the directors standing for election, if they so choose.

Dividend rights. Holders of common stock will be entitled to receive ratably dividends if, as and when dividends are declared from time to time by our board of directors out of funds legally available for that purpose subject to any preferential dividend rights of any then outstanding preferred stock. Our ability to pay dividends is limited by covenants in our credit facilities.

Other matters. Upon our liquidation, dissolution or winding up, the holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and subject to any other distribution rights granted to holders of any outstanding preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights, and no redemption or sinking fund provisions are applicable to our common stock. All outstanding shares of common stock are fully paid and nonassessable.

Preferred Stock

Our certificate of incorporation permits our board of directors to issue up to 25,000,000 shares of preferred stock from time to time in one or more classes or series. The board also may fix the relative rights and preferences of those shares, including dividend rights, conversion rights, voting rights, redemption rights, terms of sinking funds, liquidation preferences and the number of shares constituting any class or series or the designation of the class or series. Terms selected by our board of directors in the future could decrease the amount of earnings and assets available for distribution to holders of common stock or adversely affect the rights and powers, including voting rights, of the holders of common stock without any further vote or action by the stockholders. As a result, the rights of holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued by us in the future, which could have the effect of decreasing the market price of our common stock.

Anti-Takeover Effects of Provisions of Our Certificate of Incorporation and Bylaws and Delaware Law

The provisions of the DGCL and our certificate of incorporation and bylaws could have the effect of discouraging others from attempting an unsolicited offer to acquire our company. Such provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Table of Contents

Election and removal of directors. Our board of directors is divided into three classes. Each class of directors is elected for a three-year term. Our directors may be removed only by the affirmative vote of at least 66 ²/₃% of our then outstanding common stock and only for cause. This system of electing and removing directors generally makes it more difficult for stockholders to replace a majority of our directors.

Authorized but unissued shares. The authorized but unissued shares of our common stock and our preferred stock will be available for future issuance without any further vote or action by our stockholders. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of our common stock and our preferred stock could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger or otherwise.

Stockholder action; advance notification of stockholder nominations and proposals. Our certificate of incorporation and bylaws require that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by a consent in writing. Our certificate of incorporation also requires that special meetings of stockholders be called only by a majority of our board of directors. In addition, our bylaws provide that candidates for director may be nominated and other business brought before an annual meeting only by the board of directors or by a stockholder who gives written notice to us no later than 90 days prior to nor earlier than 120 days prior to the first anniversary of the last annual meeting of stockholders. These provisions may have the effect of deterring unsolicited offers to acquire our company or delaying changes in control of our management, which could depress the market price of our common stock.

Amendment of certain provisions in our organizational documents. The amendment of any of the above provisions would require approval by holders of at least 66 ²/₃% of the voting power of all of the then outstanding shares of the capital stock entitled to vote generally in the election of directors, voting together as a single class.

No cumulative voting. The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our certificate of incorporation provides otherwise. Our certificate of incorporation expressly prohibits cumulative voting.

Delaware anti-takeover law. Our certificate of incorporation provides that Section 203 of the DGCL, an anti-takeover law, applies to us. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own, 15% or more of a corporation's voting stock.

Limitation of Liability and Indemnification

Our certificate of incorporation provides that no director will be personally liable for monetary damages for breach of any fiduciary duty as a director, except with respect to liability:

for any breach of the director's duty of loyalty to us or our stockholders;

for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

under Section 174 of the DGCL (governing distributions to stockholders); or

for any transaction from which the director derived any improper personal benefit.

Table of Contents

If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. The modification or repeal of this provision of our amended and restated certificate of incorporation will not adversely affect any right or protection of a director existing at the time of such modification or repeal.

Our bylaws also provide that we will, to the fullest extent permitted by law, indemnify our directors and officers against all liabilities and expenses in any suit or proceeding or arising out of their status as an officer or director or their activities in these capacities. We will also indemnify any person who, at our request, is or was serving as a director, officer, employee, agent or trustee of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise. We may, by action of our board of directors, provide indemnification to our employees and agents within the same scope and effect as the foregoing indemnification of directors and officers.

Registration Rights

Pursuant to the terms of a sixth amended and restated registration rights agreement, as amended, certain holders of our common stock are entitled to rights with respect to the registration of their shares (to the extent such rights have not expired) under the Securities Act, as described below.

Demand registration rights. At the written request of certain stockholders, we must give notice to all holders of our common stock with registration rights, who would have 30 days to request inclusion in the offering, file a registration statement and use our best efforts to register all shares timely requested to be registered. Certain stockholders have two such demand registration rights and certain other stockholders have one such demand registration right. We are generally not obligated to effect a registration during the 120-day period subsequent to our filing a registration statement pursuant to these demand registration rights. We may postpone the filing of a registration statement for up to 90 days twice in a 12-month period, but not more than 120 consecutive days, if we have plans to engage in a registered public offering and our board of directors determines in good faith that such offering would be adversely affected by the requested registration.

Piggyback registration rights. If we register any of our securities for public sale, we must give notice to all holders of our common stock with registration rights, who would have 20 days to request inclusion in the offering, and use our best efforts to cause to be registered shares held by our stockholders with registration rights that request to include their shares in the registration statement. However, this right does not apply to a registration relating to any of our employee benefit plans or a corporate reorganization. The managing underwriter of any underwritten public offering will have the right to limit, due to marketing reasons, the number of shares registered by these holders.

Form S-3 registration rights. The holders of registration rights can request that we register all or a portion of their shares on Form S-3 if we are eligible to file a registration statement on Form S-3, upon which request we must give notice to all holders of our common stock with registration rights, who would have 20 days to request inclusion in the offering. We are required to file no more than one registration statement on Form S-3 upon exercise of these rights per six-month period and we are not required to honor registration requests if the aggregate market value of securities registered would be less than \$10 million.

Registration expenses. We will pay all expenses incurred in connection with each of the registrations described above, except for underwriters discounts and selling commissions. In addition, we will pay the reasonable fees and disbursements of one counsel for the stockholders participating in such registration.

Indemnification. We have agreed, subject to certain exceptions, to indemnify against liabilities resulting from the offerings described above, each selling stockholder that is exercising its registration rights. In addition, we have agreed that, in order to provide for just and equitable contribution to joint liability, if indemnification is

Table of Contents

not available to such parties, FleetCor and such parties will each contribute to any liability based on the proportion that the price of the shares sold by them relates to the aggregate offering price, subject to certain exceptions.

Expiration of registration rights. The registration rights described above will terminate with respect to a particular stockholder to the extent the shares held by and issuable to such holder may be sold without registration under the Securities Act in the manner and quantity proposed to be sold.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Table of Contents

LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by our counsel, King & Spalding LLP.

EXPERTS

The consolidated financial statements of FleetCor Technologies, Inc. and subsidiaries at December 31, 2011 and 2010, and for each of the three years in the period ended December 31, 2011, and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2011 have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The carve out financial statements of Allstar Business Solutions Limited, Card Payment Services Division as of and for the year ended December 31, 2010 incorporated in this prospectus by reference to the Current Report on Form 8-K/A filed on February 27, 2012 have been included herein in reliance upon the report of Mazars LLP, an independent auditor, and upon the authority of such firm as experts in accounting and auditing.

Table of Contents

2,750,000 Shares

Common Stock

PROSPECTUS SUPPLEMENT

Goldman, Sachs & Co.