

Fuel Price Risk Management Protect Your Bottom Line from Fuel Price Volatility

PLAN FOR THE UNEXPECTED

In the energy industry, unpredictable forces such as extreme weather, geopolitical events, pipeline failures and refinery shutdowns can raise fuel prices and potentially damage your bottom line. Mansfield Price Risk Management services can mitigate the impact these and other events may have on your fuel costs.

LOCK IN COST STABILITY TO MEET BUDGET GOALS

Are you gambling that prices will not turn against you? If your organization is exposed to volatile fuel market prices but is not hedging that risk exposure, you may be at risk of higher fuel costs, lower profits and blown budgets. Why assume the risk when you can lock in cost stability, budget goals and peace of mind with Mansfield Fuel Price Risk Management.

RANGE OF FUEL PRICE PROTECTION OPTIONS

There is no "one size fits all" approach to managing fuel price risk, which is why Mansfield Energy offers a range of options tailored to your needs.

Simple Fixed Price - Set one fixed price for the entire length of the hedge which can be for a month or over a longer period of time, like a year

Price Cap - Set a ceiling price to prevent upward price risk while enjoying any market drops

Collar - Pay market price within the collar, never above the price ceiling or below the price floor



Is Fuel Price Protection Right for You?

If your organization's profitability or customer relations are directly impacted by the inherent volatility in energy markets, then the answer is "yes." Price risk management should be considered when:

- ✓ Fuel costs are not passed through to customers
- ✓ Your bottom line is sensitive to fuel costs
- ✓ Your budgeting process requires accurate, predictable fuel costs
- ✓ You have nationwide operations and require consistent fuel pricing across regions
- ✓ You want to establish long-term competitive differentiation by limiting price risk exposure



TEAMWORK



CONSCIENTIOUSNESS



INNOVATION



INTEGRITY



PERSONAL SERVICE



EXCELLENCE

Fuel Price Risk Management

DON'T JUST CONSIDER NYMEX RISK

Financial institutions typically recommend hedging with NYMEX futures to protect against fuel price volatility.



However, NYMEX volatility risk represents only a portion of fuel price risk, which extends all the way to the local markets where your organization procures fuel. NYMEX prices often reflect only a 70-80% correlation with local market prices.

Providing complete price protection all the way down to local markets can only be accomplished by a fuel supplier that maintains local physical supply. As the leading independent supplier of fuel in North America, Mansfield supplies physical products in all North American fuel markets. Mansfield is uniquely qualified in every fuel market to provide complete price protection against both NYMEX and local market price volatility.

Mansfield Price Risk Management benefits include:

- 100% Correlation
- Flexible Volumes
- Nationwide Coverage
- Verifiable Pricing



COMPLIMENTARY Price Protection Analysis

Running your business is complex, and the best solutions are unique for every organization. That's why Mansfield offers a detailed price protection analysis at no cost or obligation. Our Price Risk Management experts will analyze your buying history and your organizational goals to give you an analysis of current fuel spend as well as a forecasted outlook and recommendations.

Contact us to schedule a consultation.

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