



Price Risk Management

Markets fluctuate, but your fuel price doesn't have to. With Avfuel's flexible pricing solutions, you have the means to mitigate financial risk. It's time to take the uncertainty out of your biggest variable cost: fuel.





Fueling Certainty for Your Business

Having been solely dedicated to aviation fuel supply and logistics for nearly 50 years, Avfuel fully understands how a fluctuating fuel market puts a strain on business. In response, we've rolled out a new solution to provide certainty in your fuel price so you can budget and plan with confidence: Avfuel's Price Risk Management Program.

Far from a one-size-fits-all solution, Avfuel assesses your needs, tailoring a fixed forward pricing or capped pricing agreement to your unique fueling requirements. Together, we can manage your risks so you can control fuel spend in the next 12+ months.

Why Now?

With average jet fuel prices at their lowest in 10 years, today is an ideal time to consider a price risk management solution. Here's what we're seeing:

- A massive oil supply disruption that's exceeding demand drop
- A chronic underinvestment in oil intensified by thin refining margins
- Oil majors cutting large portions of their oil and gas portfolios
- Banks and analysts predicting a future price recovery substantially surpassing historical prices in the next 12 - 24 months

[Click here to read](#) how oil-market expert, Goldman Sachs, recommends fuel purchasers lock in prices now.

[Uncertain how it all works? Read on to learn more about price risk management.](#)





Fixed Forward Pricing

As a simple, effective solution to mitigate financial risks, a fixed forward pricing (FFP) agreement allows you to buy a fixed monthly quantity of fuel at a fixed price over a specified period of time.

Program Benefits

- Stabilize cash flows and secure fuel costs
- Ensure margins, have confidence in your budgeting and have control over fuel spend
- You and your customers, if applicable, benefit from price stability, even if costs are passed down to them
- New pricing tools offer greater flexibility
- In-house risk management and access to proprietary research

Program Overview

- Customized solution to lock-in jet fuel prices for 12 - 36 months with flexible start dates
- Custom or fixed pricing for carbon credits and sustainable aviation fuel
- Volume flexibility across multiple locations to meet volume minimums
- Full transparency on how market-based contract prices were reached

Take or Pay Customer Obligation: Once committed to a specified monthly volume, customers must either take the volume or cover the cost. But the Avfuel difference means our experienced team works with you to determine an appropriate fixed volume to help mitigate risks

How does FFP work with the market?

If the market goes up: Great! You benefit from a lower fixed price.

If the market goes down: Your locked-in rate still applies, but you will benefit from having planned with price certainty and may still benefit should fuel prices increase during the contract term.





Capped Pricing

Capped pricing is the ultimate price risk management program with no fixed minimum prices and no minimum volume commitments.

Program Benefits

- Take advantage of low prices while setting your maximum fuel price
- Stay competitive on prices and protect your business from adverse fuel price movements
- Have confidence in your budgeting and more control over your fuel spend
- Drive new initiatives with enhanced flexibility and greater customer engagement

Program Overview

- Cap your fuel prices for 12 - 24 months with flexible start dates
- Option to include carbon credits or SAF to drive sustainability goals
- Volume flexibility across multiple locations with no minimum volume commitment
- Experts work with you to determine the capped price with the greatest ROI potential

No take or pay obligation means you have complete volume flexibility.

How does Capped Pricing work with the market?

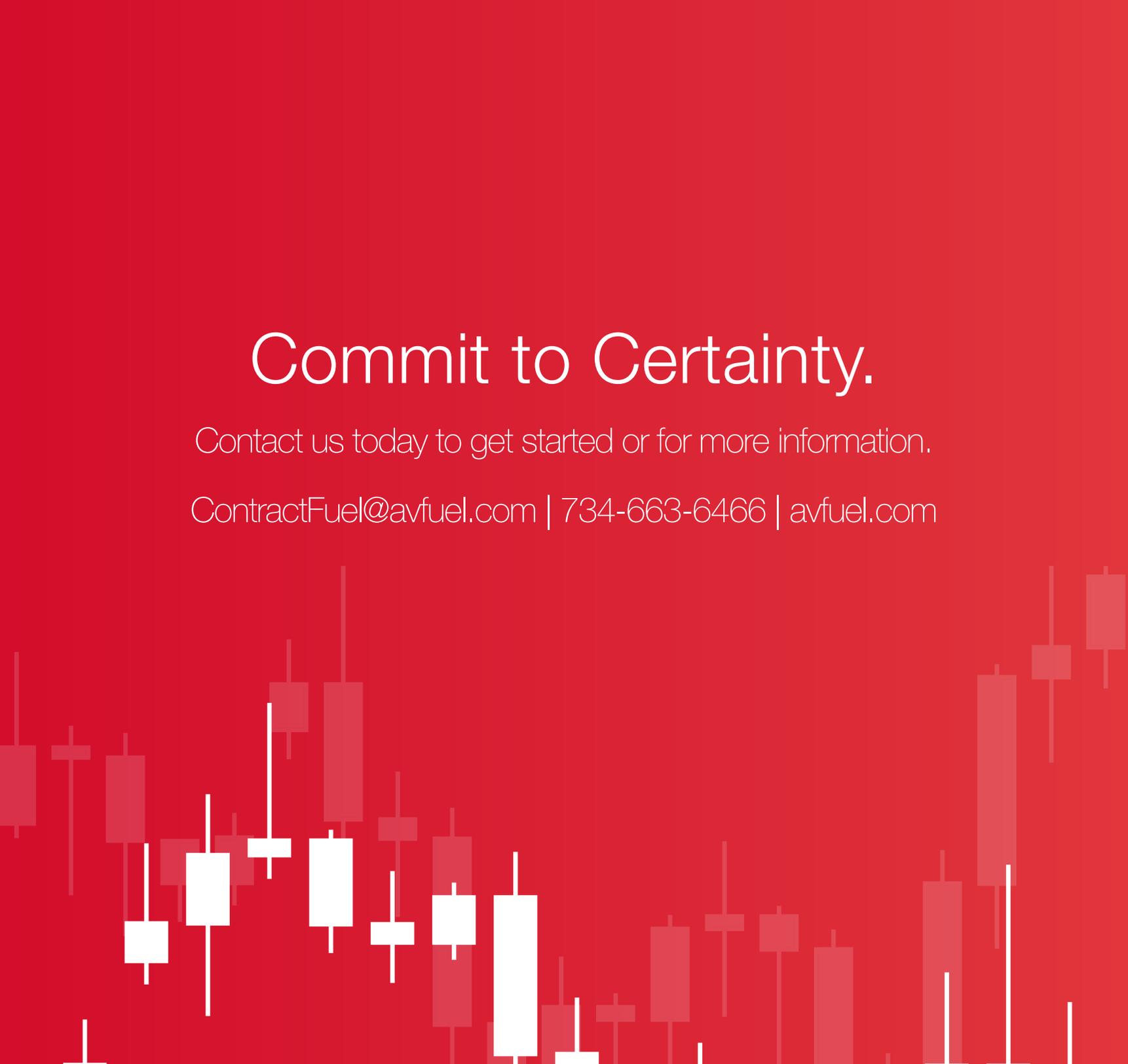
If the market goes over your capped price, you only pay the capped price.

If markets go below your capped price, you benefit by paying the lower spot price.

Commit to Certainty.

Contact us today to get started or for more information.

ContractFuel@avfuel.com | 734-663-6466 | avfuel.com

A candlestick chart is displayed on a solid red background. The chart features several white and red candlesticks with vertical wicks, representing price movements over time. The overall aesthetic is clean and professional, consistent with the branding of the adjacent text.



Fuel ... and so much more.



Contract Fuel | Branding | Rewards | Credit | Insurance | Trip Planning | Training | Equipment