



Q3-2017 Review & Financial Results

Element Fleet Management





Agenda

- Growing in Core Fleet
- Q3 Highlights
- Operations Update
- Financial Review

A nighttime photograph taken from the driver's perspective inside a car. The car's side mirror and part of the dashboard are visible in the foreground. The background shows a sprawling city at night with numerous illuminated skyscrapers and a bridge over a river. The sky is dark blue.

Bradley Nullmeyer CEO

Growing in Core Fleet

Growing in Core Fleet

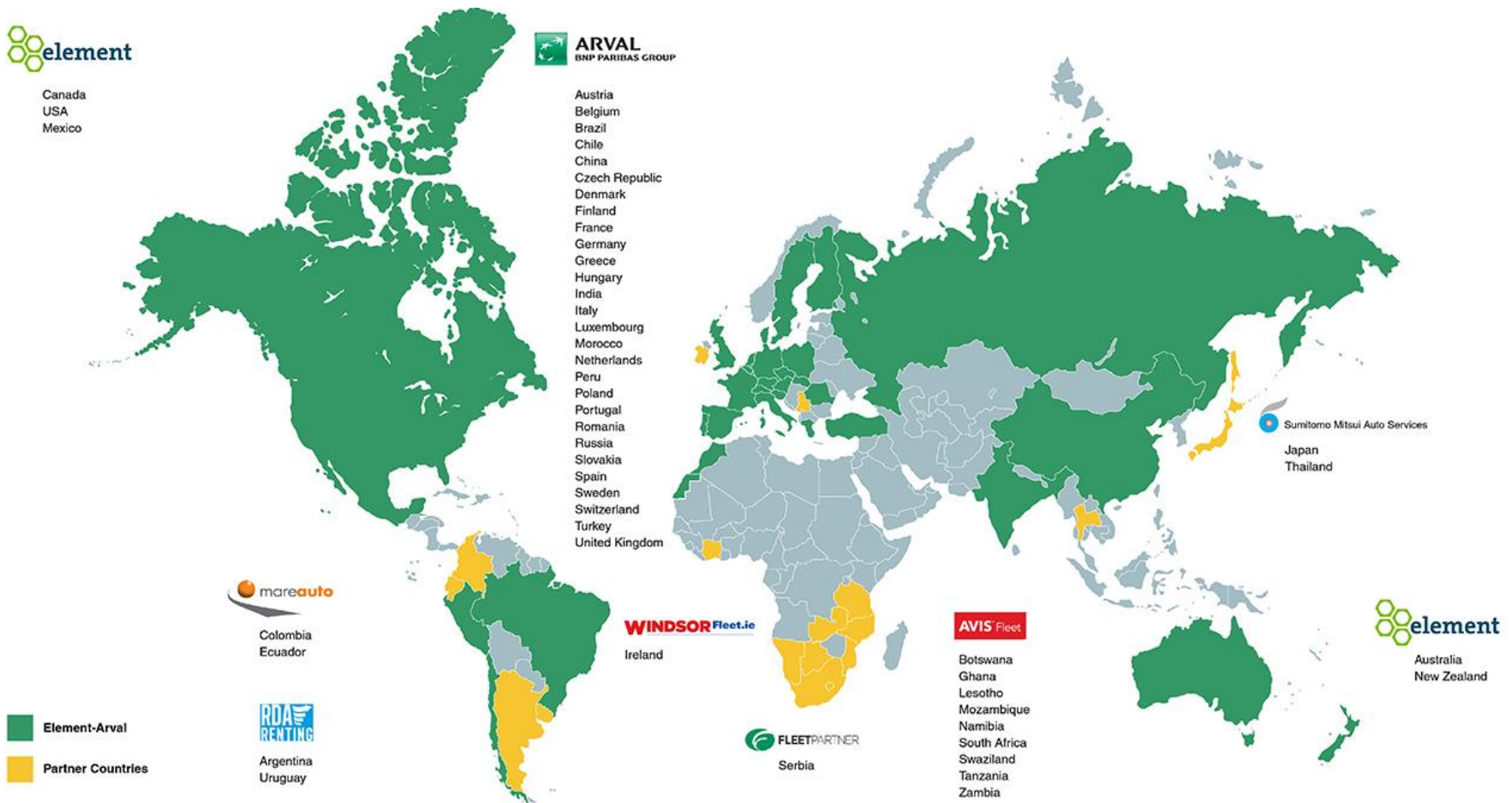
Element Fleet Management Corp. (TSX:EFN)

Element Fleet Management is a leading global fleet management company, providing world class services and financing for commercial vehicle fleets

- Market leadership in North America and an industry leading position in Australia and New Zealand
- Driven by technology, data accumulation and analytics
- Superior ability to capture opportunities in the fleet management services industry as it transforms
- Highly experienced leadership and operations teams in all countries
- Deep and long-term customer relationships, combined with technology innovation has set the foundation for long- term value creation
- High asset quality reflected in investment-grade credit ratings to support financing options
- Significant free cash flows generated to fund growth and return of capital to shareholders

Global Capabilities

3+ Million Vehicles



Q3 Highlights

Core Fleet

- Core Adjusted Basic EPS of \$0.18 (\$0.19 EPS assuming FX rate from Q2)
- FY 2017 Core Fleet guidance of \$0.71 to \$0.73 reiterated
- Solid originations of \$1.4B, up 6% vs. Q3/2016
- Completed US\$1 billion ABS offering at historic low spread (US\$3.2B year to date)
 - Programmatic issuer and largest in Fleet ABS market this year
- Repurchased ~7.8M shares under NCIB at \$8.75 average price
- \$4.6B of liquidity; extended Senior Line maturity by one year to 2020
- Investment grade ratings initiated at Fitch (BBB+) and affirmed by Kroll (A-) and DBRS (BBB (high))
- \$0.075 dividend per common share declared in the quarter

\$165M of capital returned to shareholders YTD through increased dividends and share buybacks, vs. \$30M in the comparable 2016 period

Q3 Highlights

Non-Core Assets

- Executed strategy to maximize value for non-Core assets (~\$1.0B of assets, 6% of total)
 - Sold 60% of HD Trucks segment for \$138M, above book
 - Sold 100% of Rail Notes, above book
 - ECAF investment and NZ equipment finance portfolio continue to perform
- Continue to execute operational enhancements at 19th Capital JV

We continue to optimize the value of non-core assets and use net proceeds to return capital to stakeholders, including share repurchases

A nighttime photograph taken from the driver's perspective inside a car. The view is looking out over a city skyline with many illuminated skyscrapers. A bridge is visible in the distance over a body of water. The car's side-view mirror and part of the dashboard are visible in the foreground.

Daniel Jauernig *President and COO*

Operations Update

Non-Core Assets

19th Capital

- Our goal with the non-core 19th Capital joint venture is to maximize the value of our investment in the JV and use the capital received from these initiatives to optimize Element's capital structure
- 19th Capital continues to dispose of older inefficient HD trucks, thereby right sizing the fleet and returning capital to Element
- Improvements being made by repositioning a portion of the fleet from underperforming owner-operators to more stable mid-size corporate fleet operators
- Robert Watters was appointed as the CEO of 19th Capital to oversee its operations, improve the fleet's utilization rates and drive the overall strategy of the JV
- Q3/2017 non-cash operating loss was \$9.1M (includes \$1.2M of non-recurring maintenance costs) from our investment in the JV
- Recorded \$5.6M of losses on asset dispositions, applied against the reserve of \$30 million recorded in Q2/2017

Core Fleet

Business Update

- Average earning assets, on a currency neutral basis, grew by 2.7% compared to Q2/2017
- Originations in Q3/2017 were \$1.44B, up 6% compared to \$1.36B in Q3/2016
- Post integration issues have largely been resolved, we are now focused on optimizing our processes and systems to drive incremental productivity gains and efficiencies
- In Q3/2017 Element made significant advances in providing fleet management services to the ride sharing /car sharing sector
 - Began fleet management services to GM's car sharing program Maven which has a fleet of ~5,000 vehicles
 - We acquired a 12.5% interest in Splend, an Australian based company that provides vehicles for on-demand rideshare and delivery services
- On August 21st, Element launched Integrated Scheduling on mobile devices
- In late August and early September we demonstrated the value of our technology investment by providing real-time customer support during hurricanes Harvey and Irma
- In early October, we hosted a very successful customer and supplier Fleet Roundtable conference focused on technology and disruptive trends in fleet management

GM Maven Partnership

Urban Mobility



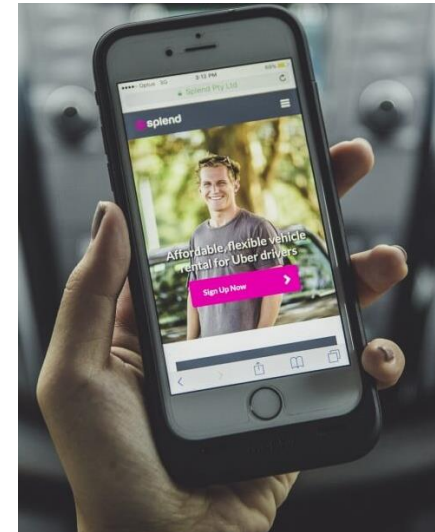
- GM Urban Mobility's Maven initiative is a leader in on-demand vehicle access
 - Fastest growing Mobility brand in North America
- Maven's Key Needs:
 - Increase rental utilization to meet growing member demand
 - On-demand, reliable access to cars is key to member satisfaction
 - Control costs- Maven offers premium experience at competitive price
- Element delivering Managed Maintenance and Accident Services solutions. Reduces cost and minimizes downtime
- Launched September 2017 with ~5,000 Maven units in 14 U.S. markets – with potential to grow exponentially as Maven scales



Splend Partnership

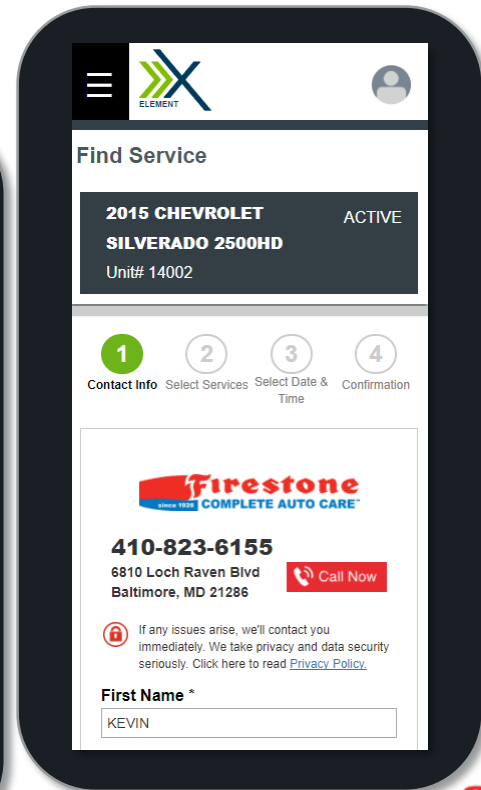
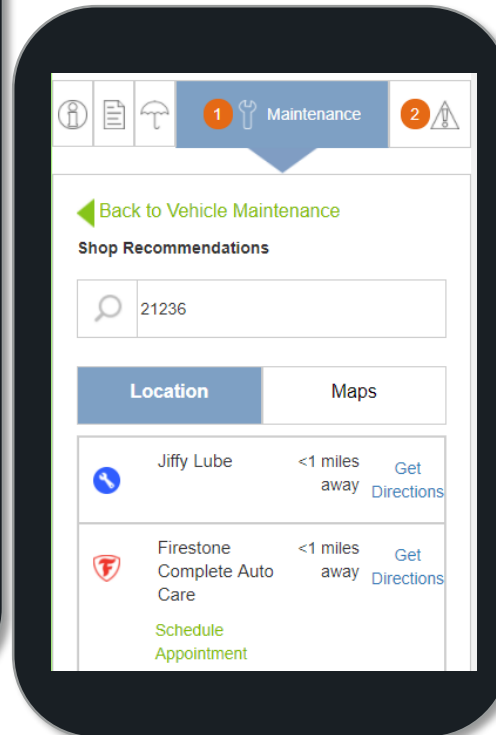
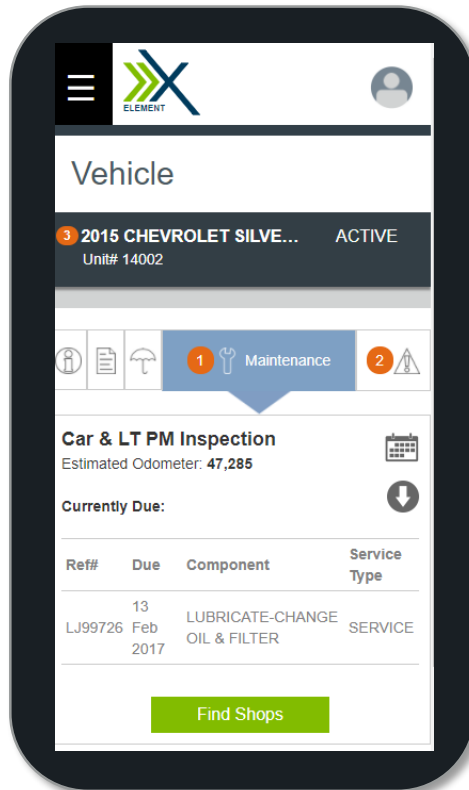
On-demand Ride Share

- Element is partnering with successful suppliers of vehicle management to the ride sharing industry by providing its comprehensive fleet management services
- Splend is an Australian based supplier of vehicles and services to on-demand ride sharing and delivery services with a fleet of over 1,200 vehicles operating in Australia
- Element acquired 12.5% interest in Splend in Q3/2017, with a warrant to acquire an additional 12.5%
- Splend is a profitable private equity-supported business and an Uber preferred partner with North American expansion plans
- Element is providing its full suite of fleet management solutions to Splend, to reduce their operating cost, minimize vehicle downtime, and allow them to focus on making their drivers successful



Integrated Scheduling

Through Driver Apps



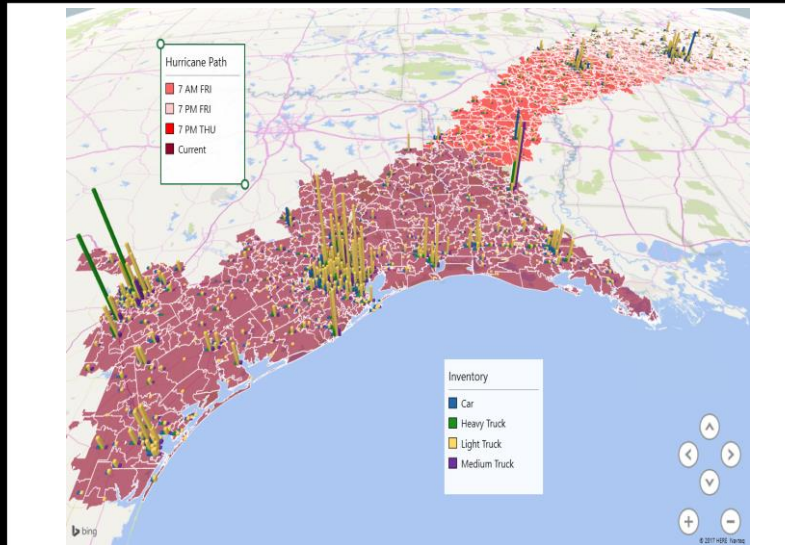
Helps drivers easily tackle fleet task, whenever and wherever

Real-Time Customer Support

Live data views



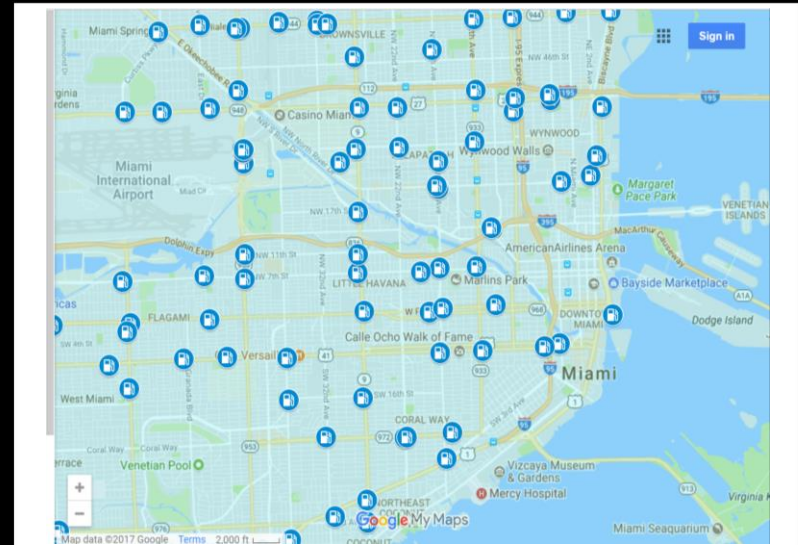
Customized 3D Vehicle Map
Hurricane Harvey – All Inventories



Garage locations of vehicles to aid client's Fleet managers



Fuel Station Locator
Hurricane Irma – Miami Area



Active gas stations as of Sept 7, 2017 in preparation for storm

Fleet Roundtable

#PoweredByPeople

Attendee Satisfaction

94%

New to Roundtable

38%

Tech Education (Xcelerate)

98%
ATTENDANCE

Customers/Prospects

+20%



Social Engagement

8,238
TWITTER

19,000
LINKEDIN

Top Rated Content

5 TECHNOLOGY TRENDS
DISRUPTIVE SHIFTS IN
AUTOMOTIVE TRENDS

A nighttime photograph taken from the driver's perspective inside a car. The car's side mirror and part of the dashboard are visible in the foreground. The background shows a sprawling city at night with numerous illuminated skyscrapers and a bridge over a river. The sky is dark blue.

Samir Zabaneh CFO

Review of Financial Results

Adjusted Earnings Per Share

As of and for the three months ended Sept. 30, 2017

Adjusted Basic EPS

	Q3 2016	Q1 2017	Q2 2017	Q3 2017
Fleet Management	\$0.20	\$0.18	\$0.18	\$0.18
Non-core assets	\$0.05	\$0.06	\$0.05	\$0.03
Total	\$0.25	\$0.24	\$0.23	\$0.21

Adjusted Basic EPS (constant currency)

	Q3 2016	Q1 2017	Q2 2017	Q3 2017
Fleet Management	\$0.19	\$0.17	\$0.17	\$0.18
Non-core assets	\$0.05	\$0.06	\$0.05	\$0.03
Total	\$0.24	\$0.22	\$0.22	\$0.21

Key Operating Metrics

As of and for the three months ended Sept. 30, 2017

In millions, except per share amounts and where otherwise noted

	Core Fleet Management	Non-Core Assets	Total
Average net earning assets	\$12,130.8	\$1,143.5	\$13,274.3
Average interim funding	\$985.0	-	\$985.0
Average funded assets	\$13,115.8	\$1,143.5	\$14,259.3
Net revenue	\$219.1	\$17.2	\$236.3
Adjusted operating expenses	\$118.4	\$1.4	\$119.8
After-tax adjusted operating income	\$79.5	\$12.2	\$91.7
After-tax adjusted operating income (to common shareholders)	\$68.5	\$12.2	\$80.7
After-tax adjusted operating income per common share	\$0.18	\$0.03	\$0.21

Core Fleet Management Net Revenue

Net Revenue Summary

In millions, except per share amounts and where otherwise noted

Net Revenue	Q3 2016	Q2 2017	Q3 2017
Service and other revenue	\$142.8	\$143.4	\$134.9
Net interest and rental revenue	\$83.5	\$81.1	\$84.2
Total net revenue	\$226.3	\$224.5	\$219.1

Net Revenue Summary (Constant Currency)

Net Revenue	Q3 2016	Q2 2017	Q3 2017
Service and other revenue	\$138.6	\$136.3	\$134.9
Net interest and rental revenue	\$80.9	\$77.1	\$84.2
Total net revenue	\$219.5	\$213.4	\$219.1

Core Fleet Management Net Revenue

Yield to Average Earning Assets

In millions, except per share amounts and where otherwise noted

	Q3 2016	Q2 2017	Q3 2017
Net interest and rental revenue	\$83.5	\$81.1	\$84.2
Average earning assets	\$12,807.5	\$12,447.9	\$12,130.8
Net interest and rental revenue margin	2.61%	2.60%	2.77%

Yield to Average Earning Assets (Constant Currency)

	Q3 2016	Q2 2017	Q3 2017
Net interest and rental revenue	\$80.9	\$77.1	\$84.2
Average earning assets	\$12,322.6	\$11,813.6	\$12,130.8
Net interest and rental revenue margin	2.63%	2.61%	2.77%

Consolidated Adjusted Operating Expenses

In millions, except per share amounts and where otherwise noted

Category	Q3 2016	Q2 2017	Q3 2017
Salaries, wages and benefits	\$75.8	\$79.3	\$80.8
General and administrative expenses	\$43.3	\$43.8	\$39.0
Total adjusted operating expenses	\$119.1	\$123.1	\$119.8
% of net revenue	48.5%	49.7%	50.7%

Non-Core Assets

Net Revenue Summary

In millions, except per share amounts and where otherwise noted

Net Revenue	Q3 2016	Q2 2017	Q3 2017
Service and other revenue	\$0.4	\$10.2	\$6.2
Net interest and rental revenue	\$19.1	\$12.9	\$11.0
Total net revenue	\$19.4	\$23.1	\$17.2

Yield to Average Earning Assets

	Q3 2016	Q2 2017	Q3 2017
Net interest and rental revenue	\$19.1	\$12.9	\$11.0
Average earning assets	\$1,323.1	\$1,312.0	\$1,143.5
Net interest and rental revenue margin	5.77%	3.94%	3.86%

Non-Core Assets

Total Assets

In millions, except per share amounts and where otherwise noted

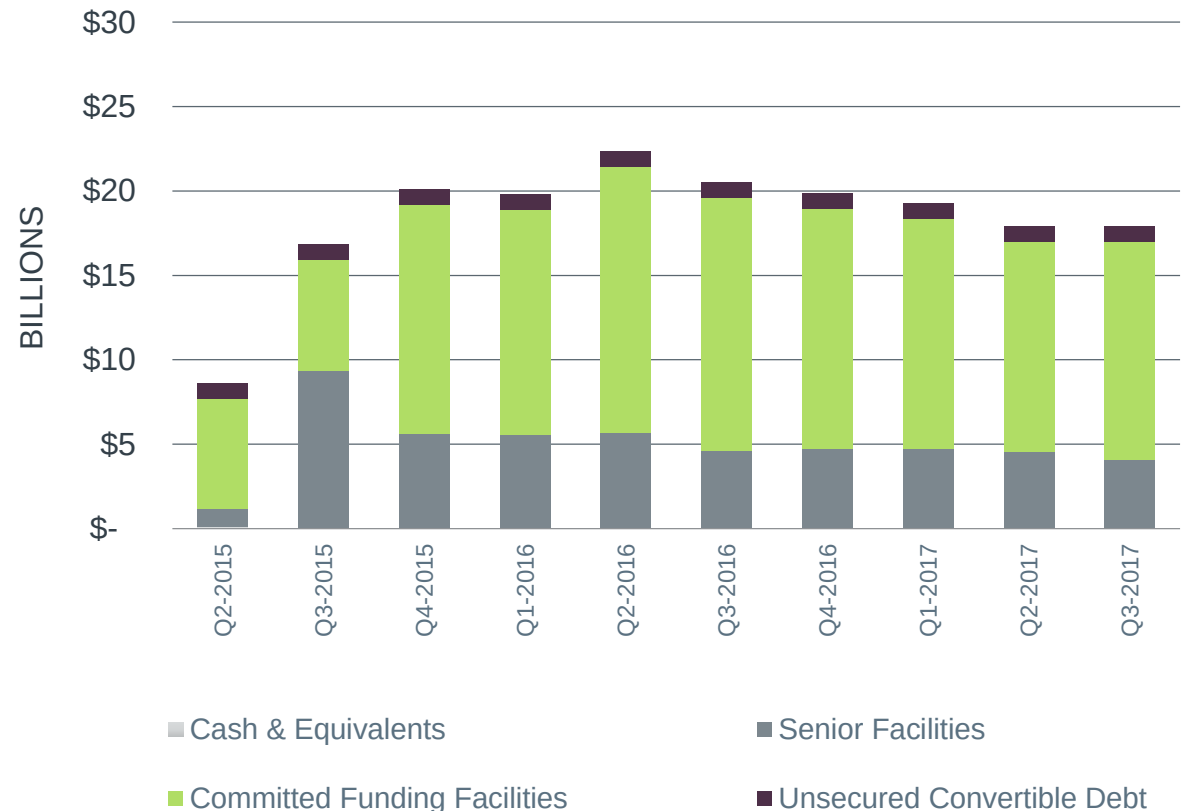
Category	Description	June 30, 2017	Sept. 30, 2017
19 th Capital Group LLC	Senior term loans (A&B) and revolver equipment loan	\$824.5	\$777.2
19 th Capital Group LLC	Equity ownership (49.99%)	\$81.4	\$69.0
ECAF I Holding Ltd	32.5% interest in ECAF Holdings Ltd., an indirect owner of ECAF I Ltd., an issuer of rated pooled-aircraft ABS	\$131.5	\$122.3
New Zealand Equipment Finance Portfolio	Portfolio of various vehicles and equipment	\$48.6	\$29.7
Heavy Duty Truck Portfolio	Portfolio of Class 8 tractors and trailers in the U.S.	\$227.1	\$65.8
Rail Notes	Class B notes of Element Rail Leasing LLP	\$30.2	-
Total		\$1,343.3	\$1,064.3

Non-core assets declined to 6% of total assets in the quarter

Treasury Update

Balance Sheet Capacity to Fund Planned Growth

- Committed facilities (available & outstanding) amounted to \$17.9B as of September 30, 2017
- At September 30, 2017, Element had \$4.6B in available financing to fund ongoing originations
- Committed facilities are supplemented by access to the Term ABS market
- Debt maturities match to asset run off with repayment schedule mirroring expected debt repayments



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Bradley Nullmeyer CEO

Growing in Core Fleet

Growing in Core Fleet

The Future of Fleet Management

- Delivered \$0.18 EPS in quarter from Core Fleet
- Core business continues to perform with new customers and completion of post-integration work
- ABS platform largest in industry and now regular programmatic issuer
- Investment in technology and data analytics made to accelerate the transition to service offerings that are predictable and long term in nature
- Post integration focus on efficiencies and capitalizing on our platform and market opportunities
- Full year Core Fleet guidance of \$0.71 to \$0.73 reiterated, assuming current FX rates

Prudent manager of capital, focused on balancing investment in growth, both organic and inorganic, and return of capital to shareholders



QUESTIONS





Appendix



Consolidated Revenue and Income

Constant Currency Basis

	For the three months ended			For the nine months ended	
In \$000s for stated values	Sept 30, 2016	June 30, 2017	Sept. 30, 2017	Sept. 30, 2016	Sept. 30, 2017
Fleet Management net revenue	219,537	213,442	219,066	670,013	655,521
Non-core net revenue	18,390	21,956	17,218	91,032	66,718
Consolidated net revenue	237,927	235,398	236,284	761,045	722,239
Fleet Management adjusted operating income	105,861	98,088	100,674	320,252	301,707
Non-core adjusted operating income	16,601	20,418	15,788	85,465	62,245
Consolidated adjusted operating income	122,462	118,506	116,462	405,717	363,952

- Core fleet management adjusted operating income increased \$2M or 2.6% versus Q2 2017 on a currency-neutral basis

Fleet Management Revenue Mix

60%+ Recurring Service Revenue

% of Net Revenue	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Service and other revenue	63.1%	62.2%	60.6%	63.9%	61.6%
Net interest and rental revenue	36.9%	37.8%	39.4%	36.1%	38.4%

We expect service-related revenues to comprise a majority of cash flows over time and to grow at a faster rate than net interest and rental revenue