

Element Reports Strong Q1 2026 Results

- Delivered record quarterly net revenue of \$324 million, a 17% year-over-year increase, reflecting strong contributions across all income streams
- Generated positive operating leverage² of +3.9%, supporting margin² expansion to 56.2% in Q1 2026, underpinned by robust top-line growth
- Adjusted² diluted EPS increased 24% year-over-year to \$0.35, as a result of continued operating momentum and consistent share repurchases
- Free cash flow generation remains a key strength with adjusted² diluted FCF per share increasing 25% year-over-year to \$0.45, supporting ongoing capital return to shareholders
- Adjusted² return on equity expanded to 20.3%, up 360 basis points from Q1 2025, driven by improved profitability and efficient capital deployment
- Vehicles under management ("VUM") increased 3% year-over-year to 1.57 million, supported by new client wins and deeper client engagement
- Repurchased 2.3 million common shares under its normal course issuer bid ("NCIB") in Q1 2026 for a total consideration of \$57 million

TORONTO, ON, May 6, 2026 – Element Fleet Management Corp. (TSX:EFN) ("Element" or the "Company"), the largest publicly traded, pure play automotive fleet manager in the world and a global leader in intelligent fleet and mobility solutions, today announced financial and operating results for the three-month period ended March 31, 2026. The following table presents Element's selected financial results.

	Q1 2026	Q4 2025	Q1 2025	QoQ	YoY
In US\$ millions , except percentages and per share amount				%	%
Selected results – as reported					
Net revenue	323.5	313.4	275.7	3%	17%
Pre-tax income	157.0	89.7	136.5	75%	15%
Pre-tax income margin	48.5%	28.6%	49.5%	n/m	(100 bps)
Earnings per share (EPS) [diluted]	\$0.30	(\$0.15)	\$0.25	n/m	20%
Adjusted results^{1,2}					
Adjusted net revenue ²	323.5	313.4	275.7	3%	17%
Adjusted operating income (AOI) ²	181.9	175.5	150.8	4%	21%
Adjusted operating margin ²	56.2%	56.0%	54.7%	20 bps	150 bps
Adjusted EPS ² [diluted]	\$0.35	\$0.33	\$0.28	4%	24%
Other highlights:					
Adjusted free cash flow per share ² (FCF/sh) – diluted	\$0.45	\$0.39	\$0.36	15%	25%
Originations	1,453	1,351	1,509	8%	(4%)
Vehicles under management	1,565	1,555	1,514	1%	3%
Adjusted ROE ²	20.3%	18.6%	16.7%	170 bps	360 bps

1. One-time costs in Q1 2026 included \$2 million related to the development of new funding structures and \$4 million for payments to certain Car IQ personnel contingent upon their continued employment. One-time costs in Q4 2025 included \$52 million related to an intangible asset impairment, \$9 million associated with the Car IQ acquisition, \$4 million related to the development of new funding structures, and \$2 million in property-related asset impairment charges.
2. Adjusted results are non-GAAP or supplemental financial measures, which do not have any standard meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "IFRS to Non-GAAP Reconciliations" section in this earnings release. The Company uses "Adjusted Results" because it believes that they provide useful information to investors regarding its performance and results of operations.

"We entered 2026 with solid performance across the business and continued engagement from our clients," said Laura Dottori-Attanasio, Chief Executive Officer of Element. "During the quarter, we advanced our platform, expanded our capabilities, and delivered against our strategic priorities."

Dottori-Attanasio continued, "We are building on this start to the year with a focus on disciplined growth and consistency, while continuing to deliver meaningful outcomes for our clients over time."

Net revenue growth

Net revenue for Q1 2026 was \$324 million, an increase of \$48 million or 17% from Q1 2025 ("year-over-year"), driven by growth across all revenue streams. Compared to Q4 2025 ("quarter-over-quarter"), net revenue increased by \$10 million or 3%, due to higher net financing and syndication revenues.

Service revenue

Element's largely unlevered services revenue continues to underpin the Company's capital-light business model and long-term growth strategy, driving the improvement in return on equity.

Services revenue totaled \$162 million in Q1 2026, up \$10 million or 6% year-over-year attributable to continued VUM expansion. Services revenue declined by \$1 million sequentially.

Net financing revenue

For Q1 2026, net financing revenue was \$138 million, an increase of \$26 million or 23% compared to Q1 2025. The increase was driven by growth in net earning assets, higher gains on sale ("GOS"), along with the continued execution of the Company's strategic leasing initiatives. Partly offsetting these factors were higher funding costs from incremental acquisition-related debt and higher provisions for credit losses, related to a client-specific item.

On a quarter-over-quarter basis, net financing revenue increased by \$8 million or 6%, primarily due to the continued benefits of the Company's optimized leasing strategy and higher GOS, partially offset by higher provisions for credit losses.

Syndication volume

The Company syndicated \$867 million of assets in Q1 2026, representing an increase of \$293 million or 51% year-over-year, and an increase of \$201 million or 30% quarter-over-quarter.

Syndication revenue totaled \$24 million, increasing by \$12 million compared to Q1 2025, primarily driven by higher volume, the reinstatement of 100% bonus depreciation and a favourable client mix, reflecting continued strong investor demand for the Company's syndication products.

On a quarter-over-quarter basis, revenues increased by \$3 million or 13% from Q4 2025, largely due to higher volumes.

Adjusted operating expenses

Adjusted operating expenses totaled \$142 million in Q1 2026, up \$17 million or 13% year-over-year, and \$4 million or 2.7% quarter-over-quarter, largely reflecting higher salaries and wages from incremental headcount associated with the Car IQ acquisition, inflationary increases, and continued investment in strategic initiatives. Higher depreciation and amortization expenses further contributed to the growth from Q1 2025. On a quarter-over-quarter basis, the increase in operating expenses was partly offset by lower professional fees.

Adjusted operating expense growth reflects ongoing investments in digitization and product

expansion. Importantly, the Company continues to deliver positive operating leverage, as revenue growth outpaces expense growth, supported by efficiencies from prior investments.

Adjusted operating income and adjusted operating margins

AOI for Q1 2026 was \$182 million, an increase of \$31 million or 21% compared to Q1 2025, and \$6 million or 4% compared to Q4 2025, underpinned by higher revenue.

Adjusted operating margin in Q1 2026 was 56.2%, up from 54.7% in Q1 2025, and 56.0% in Q4 2025, representing expansions of 150 basis points and 20 basis points, respectively.

Originations

Element originated \$1.5 billion of assets in Q1 2026, a decrease of \$56 million or 4% compared to Q1 2025, largely due to the reduction in volume from an originate-to-syndicate client. Excluding this impact, underlying originations growth was solid, supported by strong client demand and continued conversion of the Company's Q4 2025 order volumes.

On a quarter-over-quarter basis, originations increased by \$102 million or 8% from Q4 2025, reflecting strong underlying demand.

The table below sets out the geographic distribution of Element's originations for the three-month periods indicated.

(in US\$000's for stated values)	March 31, 2026		December 31, 2025		March 31, 2025	
	\$	%	\$	%	\$	%
United States and Canada	1,086,920	75%	934,042	69%	1,195,391	79%
Mexico	271,359	19%	301,068	22%	214,752	14%
Australia and New Zealand	94,573	6%	116,187	9%	98,726	7%
Total	1,452,852	100%	1,351,297	100%	1,508,869	100%

Adjusted free cash flow per share and returns to shareholders

Adjusted diluted free cash flow ("FCF") per share was \$0.45 in Q1 2026, increasing 25% year-over-year and 15% quarter-over-quarter.

Element returned \$94 million to shareholders during the quarter, comprised of \$37 million in common share dividends and \$57 million through common share repurchases.

Common dividend and share repurchases

The Company's Board of Directors (the "Board") authorized and declared a quarterly cash dividend of CAD\$0.15 per common share of Element for the second quarter of 2026. The dividend will be payable on July 15, 2026 to shareholders of record as at the close of business on June 30, 2026.

The Company's common dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

In furtherance of the Company's return of capital plan, Element renewed its normal course issuer bid (the "NCIB") for its common shares. Under the NCIB, the Company has approval from the TSX to purchase up to 39,930,568 common shares during the period of November 20, 2025, to November 19, 2026. The Company intends to remain active under its NCIB in 2026. The actual number of the Company's common shares, if any, that may be purchased under the NCIB, and the timing of any such purchases, will be determined by the Company, subject to applicable terms and limitations of the NCIB (including any automatic share purchase plan adopted in connection therewith). There cannot be any assurance as to how many common shares, if any, will ultimately be purchased pursuant to the NCIB. Any subsequent renewals of the NCIB will be in

the discretion of the Company and subject to further TSX approval.

During Q1 2026, the Company purchased 2,289,400 Common Shares for cancellation under its NCIB at a volume weighted average price of CAD \$33.33.

Element applies trade date accounting in determining the date on which the share repurchase is reflected in the consolidated financial statements. Trade date accounting is the date on which the Company commits itself to purchase the shares.

Debt-to-capital leverage ratio

Commencing Q4 2024, the Company amended its banking covenants from a tangible leverage ratio ("TLR") to debt-to-capital, which the Company regards as a more meaningful measure of its leverage. At March 31, 2026, the Company's debt-to-capital ratio was 76.4% (December 31, 2025 76.9%), within the target range of 73% to 77%.

The Company remains committed to maintaining a strong investment grade balance sheet.

A conference call to discuss these results will be held on Thursday, May 7, 2026 at 8:00 a.m. Eastern Time.

The conference call and webcast can be accessed as follows:

Webcast: <https://www.elementfleet.com/firstquarter2026>

Telephone: [Click here](#) to join the call most efficiently,
or dial one of the following numbers to speak with an operator:

Canada/USA toll-free: 1-800-715-9871

International: +1-647-932-3411

A taped recording of the conference call may be accessed through June 7, 2026 by dialing 1-800-770-2030 (Canada/U.S. Toll Free) or 1-647-362-9199 (International Toll) and entering the access code 2546427#.

IFRS to Non-GAAP Reconciliations, Non-GAAP Measures and Supplemental Information

The Company's Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the IASB and the accounting policies we adopted in accordance with IFRS. These Unaudited Interim Condensed Consolidated Financial Statements reflect all adjustments that are, in the opinion of management, necessary to present fairly the Company's financial position as at March 31, 2026 and March 31, 2025, the results of operations, comprehensive income and cash flows for the three-month period-ended March 31, 2026, December 31, 2025 and March 31, 2025.

Non-GAAP and IFRS key annualized operating ratios and per share information of the operations of the Company:

(in US\$000's except ratios and per share amounts or unless otherwise noted)		As at and for the three-month period ended		
		March 31, 2026	December 31, 2025	March 31, 2025
Key annualized operating ratios				
Leverage ratios				
Financial leverage ratio	$P_2/(P_2+R)$	76.4%	76.9%	74.9%
Average financial leverage ratio	$Q/(Q+V)$	76.6%	75.6%	75.4%
Other key operating ratios				
Allowance for credit losses as a % of total finance receivables before allowance	F/E	0.20%	0.13%	0.09%
Adjusted operating income on average net earning assets	B/J	8.35%	7.92%	7.92%
Adjusted operating income on average tangible total equity of Element	$D/(V-L)$	51.8%	45.0%	42.2%
Per share information				
Number of shares outstanding	W	397,064	399,250	402,350
Weighted average number of shares outstanding [basic]	X	398,123	399,883	403,502
Weighted average number of shares outstanding [diluted]	Y	398,280	399,883	403,686
Net income (loss) per share [basic]	A/X	\$0.30	(\$0.15)	\$0.25
Net income (loss) per share [diluted]		\$0.30	(\$0.15)	\$0.25
Adjusted EPS [basic]	D/X	\$0.35	\$0.33	\$0.28
Adjusted EPS [diluted]	D/Y	\$0.35	\$0.33	\$0.28

Management also uses a variety of both IFRS and non-GAAP and Supplemental Measures, and non-GAAP ratios to monitor and assess their operating performance. The Company uses these non-GAAP and Supplemental Financial Measures because they believe that they may provide useful information to investors regarding their performance and results of operations.

The following table provides a reconciliation of certain IFRS to non-GAAP measures related to the operations of the Company and other supplemental information.

	As at and for the three-month period ended		
(in US\$000's except per share amounts or unless otherwise noted)	March 31, 2026	December 31, 2025	March 31, 2025
Reported results			
Services income, net	162,125	162,864	152,482
Net financing revenue	137,518	129,471	111,556
Syndication revenue, net	23,873	21,088	11,633
Net revenue	323,516	313,423	275,671
Operating expenses	157,472	216,192	135,007
Operating income	166,044	97,231	140,664
Operating margin	51.3%	31.0%	51.0%
Total expenses	166,534	223,689	139,200
Income before income taxes	156,982	89,734	136,471
Net income (loss)	118,542	(60,719)	102,250
EPS [basic]	\$0.30	(\$0.15)	\$0.25
EPS [diluted]	\$0.30	(\$0.15)	\$0.25
Adjusting items			
<i>Impact of adjusting items on operating expenses:</i>			
Strategic initiatives costs – Salaries, wages, and benefits	4,361	5,802	–
Strategic initiatives costs – General and administrative expenses	2,203	7,646	–
Strategic initiatives costs – Depreciation and Amortization	–	54,090	–
Share-based compensation	9,335	10,750	10,183
Total impact of adjusting items on operating expenses	15,899	78,288	10,183
Total pre-tax impact of adjusting items	15,899	78,288	10,183
Total after-tax impact of adjusting items	12,012	58,912	7,612
Total impact of adjusting items on EPS [basic]	\$0.03	\$0.15	\$0.02
Total impact of adjusting items on EPS [diluted]	\$0.03	\$0.15	\$0.02

	As at and for the three-month period ended		
(in US\$000's except per share amounts or unless otherwise noted)	March 31, 2026	December 31, 2025	March 31, 2025
Adjusted results			
Adjusted net revenue	323,516	313,423	275,671
Adjusted operating expenses	141,573	137,904	124,824
Adjusted operating income	181,943	175,519	150,847
Adjusted operating margin	56.2 %	56.0 %	54.7 %
Provision for income taxes	38,440	150,453	34,221
Adjustments:			
Pre-tax income	6,408	23,713	3,750
Partial derecognition of deferred tax assets	–	(131,740)	–
Foreign tax rate differential and other	(363)	1,015	118
Provision for taxes applicable to adjusted results	44,485	43,441	38,089
Adjusted net income	137,458	132,078	112,758
Adjusted EPS [basic]	\$0.35	\$0.33	\$0.28
Adjusted EPS [diluted]	\$0.35	\$0.33	\$0.28

The following table summarizes key statement of financial position amounts for the periods presented.

Selected statement of financial position amounts		As at and for the three-month period ended		
		March 31, 2026	December 31, 2025	March 31, 2025
(in US\$000's unless otherwise noted)				
Total Finance receivables, before allowance for credit losses	E	7,853,418	8,327,154	7,699,109
Allowance for credit losses	F	15,344	10,807	7,137
Net investment in finance receivable	G	5,587,233	6,019,063	5,148,688
Equipment under operating leases	H	2,852,268	2,836,154	2,428,013
Net earning assets	I=G+H	8,439,501	8,855,217	7,576,701
Average net earning assets	J	8,839,618	8,793,408	7,618,350
Goodwill and intangible assets	K	1,667,431	1,681,339	1,660,009
Average goodwill and intangible assets	L	1,674,818	1,659,045	1,663,050
Borrowings	M	9,564,599	9,706,963	9,045,885
Less: continuing involvement liability	O	(183,500)	(168,311)	(136,932)
Total debt	P=M-O	9,381,099	9,538,652	8,908,953
Cash and restricted funds	P ₁	662,361	504,062	780,531
Total net debt	P ₂ = P-P ₁	8,718,738	9,034,590	8,128,422
Average debt	Q	9,018,957	8,725,152	8,363,864
Total shareholders' equity	R	2,696,275	2,720,267	2,720,616
Common shareholders' equity	T	2,696,275	2,720,267	2,720,616
Average common shareholders' equity	U	2,752,026	2,823,219	2,730,985
Average total shareholders' equity	V	2,752,026	2,823,219	2,730,985

Throughout this press release, management uses the following terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. Non-GAAP measures are reported in addition to, and should not be considered alternatives to, measures of performance according to IFRS.

Adjusted operating expenses

Adjusted operating expenses are equal to salaries, wages and benefits, general and administrative expenses, and depreciation and amortization less adjusting items impacting operating expenses. The following table reconciles the Company's reported expenses to adjusted operating expenses.

(in US\$000's except per share amounts or unless otherwise noted)		As at and for the three-month period ended		
		March 31, 2026	December 31, 2025	March 31, 2025
Reported Expenses		166,534	223,689	139,200
Less:				
Amortization of intangible assets from acquisitions		8,979	7,823	7,799
Loss / (Gain) on investments		83	(326)	(3,606)
Operating expenses		157,472	216,192	135,007
Less:				
Share-based compensation		9,335	10,750	10,183
Strategic initiatives costs - Salaries, wages and benefits		4,361	5,802	—
Strategic initiatives costs - General and administrative expenses		2,203	7,646	—
Strategic initiatives costs - Depreciation and Amortization		—	54,090	—
Total adjustments		15,899	78,288	10,183
Adjusted operating expenses		141,573	137,904	124,824

Adjusted operating income or Pre-tax adjusted operating income

Adjusted operating income reflects net income or loss for the period adjusted for the amortization of debenture discount, share-based compensation, amortization of intangible assets from acquisitions, provision for or recovery of income taxes, loss or income on investments, and adjusting items from the table below.

The following tables reconciles income before taxes to adjusted operating income.

(in US\$000's except per share amounts or unless otherwise noted)	As at and for the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Income before income taxes	156,982	89,734	136,471
Adjustments:			
Share-based compensation	9,335	10,750	10,183
Amortization of intangible assets from acquisition	8,979	7,823	7,799
Loss / (Gain) on investments	83	(326)	(3,606)
Adjusting Items:			
Strategic initiatives costs - Salaries, wages and benefits	4,361	5,802	—
Strategic initiatives costs - General and administrative expenses	2,203	7,646	—
Strategic initiatives costs - Depreciation and Amortization	—	54,090	—
Total pre-tax impact of adjusting items	6,564	67,538	—
Adjusted operating income	181,943	175,519	150,847

Adjusted operating margin

Adjusted operating margin is the adjusted operating income before taxes for the period divided by the net revenue for the period.

After-tax adjusted operating income

After-tax adjusted operating income reflects the adjusted operating income after the application of the Company's effective tax rates.

Adjusted net income

Adjusted net income reflects reported net income less the after-tax impacts of adjusting items. The following table reconciles reported net income to adjusted net income.

After-tax adjusted operating income attributable to common shareholders

After-tax adjusted operating income attributable to common shareholders is computed as after-tax adjusted operating income less the cumulative preferred share dividends for the period.

(in US\$000's except per share amounts or unless otherwise noted)	As at and for the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
Net income (loss)	118,542	(60,719)	102,250
Share-based compensation	9,335	10,750	10,183
Amortization of intangible assets from acquisition	8,979	7,823	7,799
Loss / (Gain) on investments	83	(326)	(3,606)
Strategic initiatives costs - Salaries, wages and benefits	4,361	5,802	—
Strategic initiatives costs - General and administrative expenses	2,203	7,646	—
Strategic initiatives costs - Depreciation and Amortization	—	54,090	—
Provision for income taxes	38,440	150,453	34,221
Provision for taxes applicable to adjusted results	(44,485)	(43,441)	(38,089)
Adjusted net income	137,458	132,078	112,758

About Element Fleet Management

Element Fleet Management (TSX: EFN) is the largest publicly traded pure play automotive fleet manager in the world and a global leader in intelligent fleet and mobility solutions. Guided by our Purpose to *Move the world through intelligent mobility*, we help clients manage the vehicles, data, technology, and decisions that keep their businesses moving. Fleet is our foundation, and intelligent mobility is how we lead. By combining deep fleet expertise with connected technologies, data driven intelligence, and strategic partnerships, Element helps clients lower total cost of ownership, improve uptime and driver experience, and build more resilient operations. Element manages over 1.5 million vehicles globally and leverages this scale and data to help clients optimize performance, identifying over \$1.6 billion in cost savings opportunities across our clients' fleets in the past year. Through Element Mobility, we are advancing our leadership into the next era of intelligent mobility to deliver measurable business outcomes for our clients. For more information, visit: <https://www.elementfleet.com>

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This press release includes forward-looking statements regarding Element and its business. Such statements are based on management's current expectations and views of future events. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements, including, among others, statements regarding Element's financial performance, including future cash flows, financial condition, operating performance, operating income, financial ratios, capital structure and capital expenditures; expectations regarding acquisitions and strategic initiatives and the benefits to be derived therefrom; expected enhancements to client experience; expectations regarding client and revenue retention trends; management of operating expenses; increases in efficiency; Element achieving its digital platform ambitions; the Element Mobility strategy enabling the Company to increase client and shareholder value and unlock new revenues streams; EV strategy and capabilities; global EV adoption rates; dividend policy and the payment of future dividends; the costs and benefits of strategic initiatives; creation of value for all stakeholders; expectations regarding syndication; growth prospects and expected revenue growth; level of workforce engagement; improvements to magnitude and quality of earnings; executive hiring and retention; focus and discipline in investing; balance sheet management and plans and expectations with respect to leverage ratios; Element's ability to achieve its sustainability objectives; and Element's proposed share purchases, including the number of common shares to be repurchased, the timing thereof and TSX acceptance of the NCIB and any renewal thereof. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause Element's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Such risks and uncertainties include those regarding the fleet management, mobility and finance industries, economic factors, regulatory landscape and many other factors beyond the control of Element. A discussion of the material risks and assumptions associated with this outlook can be found in Element's annual MD&A, and Annual Information Form for the year ended December 31, 2025, each of which has been filed on SEDAR+ and can be accessed at www.sedarplus.ca. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Element undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.