element

Q2 2025
Investor Presentation

Element Fleet Management
(EFN-TSX)

Contents

Forward-looking Statements and Disclaimer

This presentation contains certain forward-looking statements and forward-looking information regarding Element Fleet Management Corp. ("Element") and its business which are based upon Element's current expectations, estimates, projections, assumptions and beliefs. In some cases, words such as "plan", "expect", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "target", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements and forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information.

Forward-looking statements and information in this presentation may include, but are not limited to, statements with respect to, among other things, Element's future financial reporting; future cash flows, financial condition, financial performance, operating performance, financial ratios, projected asset base, capital structure and capital expenditures; Element's after-tax adjusted operating income per share and free cash flow per share; Element's expectations regarding revenue growth; Element's expectations in respect of its supply chain and the timing and volume of vehicle production; Element's EV strategy and capabilities; global EV adoption rates; Element's ability to achieve its sustainability objectives; Element achieving its digital platform ambitions; the Autofleet acquisition enabling the Company to scale its business more quickly, achieve operational efficiencies, increase client and shareholder value and unlock new revenues streams; Element's anticipated dividend policy and plans for future dividends; Element's ability to deliver returns and benefits from its initiatives; client acquisition, retention and experience; relationships with suppliers; anticipated cash needs, capital requirements, need for and cost of additional financing and ability to access such financing; future assets; demand for services; Element's competitive position; anticipated trends and challenges in Element's business and the markets in which it operates; Element's ability to generate pre-tax run-rate operating income; expectations regarding syndication; Element's ability to increase total shareholder return; Element's plans with respect to share purchases, including the number of common shares to be repurchased, the timing thereof and TSX acceptance of the normal course issuer bid and any renewal thereof; any impacts of pandemics or other health threats; and expectations regarding credit ratings.

By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this presentation speak only as of the date on the front of this presentation. The forward-looking information and statements contained in this presentation reflect several material factors, expectations and assumptions of Element including, without limitation: that Element will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; acceptable negotiations with third parties; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; Element's net interest margin; expectations regarding syndication; growth in lease receivables and service income; assumed rate of cost inflation; assumed applicable foreign exchange rates and applicable income tax rates; Element's funding mix; the extent of its assets and liabilities; and the impact of vehicle manufactures' ability to deliver vehicles. Element believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking events and circumstances discussed in this presentation may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Element, including risks regarding the fleet management and finance industries, economic factors, regulatory landscape, the political landscape, including the potential impact of tariffs, risks related to the addition of new clients, risks related to the payment of dividends, risks relating to execution of strategic initiatives and many other factors beyond the control of Element. No forward-looking statement can be guaranteed and Element cannot guarantee future results, levels of activity, performance or achievements. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks applicable to Element can be found in Element's most recent Management Discussion and Analysis document as well as the most recent such document in respect of a full calendar year, and Element's Annual Information Form, each of which have been or will be 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 disclaims any intention and assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

An investment in the securities of Element involves significant risks. A discussion of some of the material risks affecting Element and its business appears under the heading "Risk Management & Risk Factors" in Element's Management Discussion and Analysis for the year ended December 31, 2024, and Element's quarterly MD&A for the period ended June 30, 2025 and under the heading "Risk Factors" in Element's Annual Information Form for the year ended December 31, 2024 as well as Element's other filings with the Canadian securities regulatory authorities, which have been filed on SEDAR+ and can be accessed on Element's profile on www.sedarplus.com. unless the context otherwise requires, references to "$" are to millions of U.S. Dollars, except per share amounts, which are single U.S. Dollars.

Non-IFRS Measures

In this presentation, management presents measures that do not have a standardized meaning under IFRS and may not be comparable to similarly-named or any other non-GAAP measures presented by other organizations. Descriptions of the non-GAAP measures presented in this document can be found in Element's Management Discussion & Analysis that accompanies the financial statements for the most recent quarter or year, which have been filed on SEDAR (www.sedarplus.ca).

Resilient business model continues to deliver consistent growth and profitability

- Record Q2 2025 results[1] reaffirm the resilience of our business and our ability to deliver for our clients during periods of economic uncertainty
- Solid net revenue growth of 6% year-over-year supported by increase in services and net financing revenue, despite negative foreign currency translation impact of $10 million
- The global committed order pipeline ended June at $1.7 billion, indicative of strong client demand alongside the traditional seasonal strength in originations ($1.9 billion in Q2 2025)
- Adjusted operating expense growth was stable at 5% year-over-year; excluding the impact of FX translation we generated operating leverage of +2.5% and adjusted operating margin expansion of 100 bps
- Returned $61 million of cash to shareholders through common dividends ($37 million) and common share repurchases ($23 million) in Q2, representing 37% of adjusted free cash flow
- Key financial metrics were strong in Q2 2025, as on a year-over-year adjusted basis diluted EPS of $0.30 increased 7%, FCF per share of $0.40 grew 8%, and ROE reached 17.5% (from 16.3% a year ago)
- Expect to end full-year 2025 at-or-above the high-end of our Financial Guidance in all metrics with the exception of originations

Strategically positioned to lead the modernization of mobility while delivering value to our clients and stakeholders

1 Considered to be a non-GAAP financial measure that does not have a standardized meaning under IFRS and may not be comparable to similarly-named or any other non-GAAP measures presented by other organizations. Descriptions of the non-GAAP measures presented in this document can be found in Element's Management Discussion & Analysis that accompanies the financial statements for the three-months ended June 30, 2025, which have been filed on SEDAR (www.sedarplus.ca).

Q2 2025 Results

Q2 2025 Financial Highlights

Excluding foreign exchange translation impact, on a year-over-year basis:

- Net revenue grew 9% and Services revenue was up 10%
- Adjusted EPS increased 12%
- Operating leverage of +2.5% with Adj operating margin expanding by 100bp

17.5%
Adjusted ROE[1] in Q2/25

■ Quarter-over-Quarter
■ Year-over-Year

		Quarter-over-Quarter	Year-over-Year
Net Revenue	$290M	+5%	+6%
Services Revenue	$151M	(1%)	+8%
Adj. Operating Income[1]	$162M	+7%	+6%
Adj. Operating Margin[1]	55.8%	+110bps	10 bps
Adj. Free Cash Flow/Share[1] [diluted]	$0.40	+11%	+8 %
Adj. EPS[1] [Diluted]	$0.30	+8%	+7%

1. Considered to be a non-GAAP financial measure that does not have a standardized meaning under IFRS and may not be comparable to similarly-named or any other non-GAAP measures presented by other organizations. Descriptions of the non-GAAP measures presented in this document can be found in Element's Management Discussion & Analysis that accompanies the financial statements for the three-months ended June 30, 2025, which have been filed on SEDAR (www.sedarplus.ca).

Q2 Key Financial Metrics

(US$millions, except per share) Key Metrics	Adjusted[1] Q2 2025	Adjusted[1] QoQ	Adjusted[1] YoY	Reported Q2 2025	Reported QoQ	Reported YoY
Services revenue	$151	(1%)	8%	$151	(1%)	8%
Net financing revenue	$127	14%	4%	$127	14%	4%
Syndication revenue	$12	-%	(4%)	$12	-%	(4%)
Net revenue	$290	5%	6%	$290	5%	6%
Operating expenses	$128	3%	5%	$139	3%	5%
Operating income	$162	7%	6%	$152	8%	6%
Operating margin	55.8%	+110 bps	10 bps	52.2%	+120 bps	10 bps
Originations	$1,894	26%	(4%)	$1,894	26%	(4%)
EPS [diluted]	$0.30	8%	7%	$0.28	12%	12%
Free cash flow per share [diluted]	$0.40	11%	8%			
Return on equity	17.5%	+80 bps	+120 bps	16.2%	+105bps	+140bps

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Financial Performance

Key Drivers of Q2 Net Revenue Growth

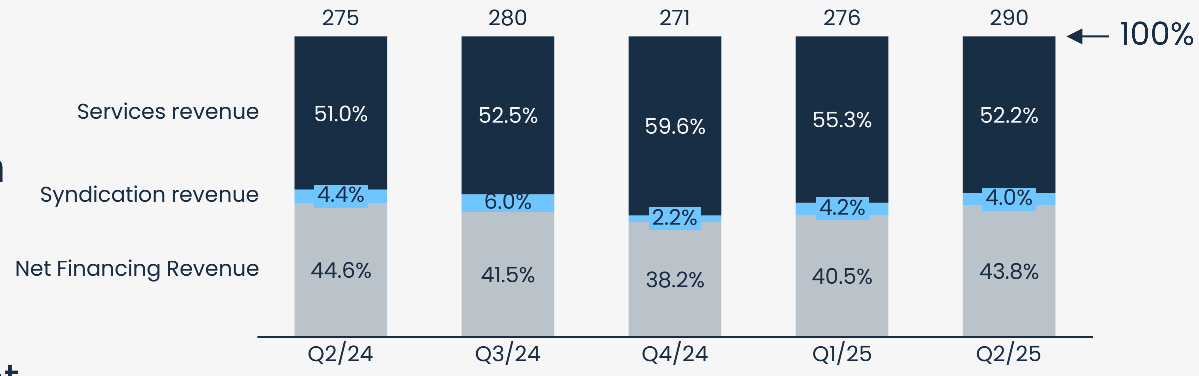
- In Q2 2025, net revenue increased by 6% year-over-year, supported by higher services and net financing revenue, despite a foreign currency translation headwind of $10 million, mainly due to the depreciation of the Mexican peso and the Australian dollar

- Services revenue continues to be the primary contributor to net revenue growth in Q2, up 8% from last year (up 10% excluding the $3 million FX impact)

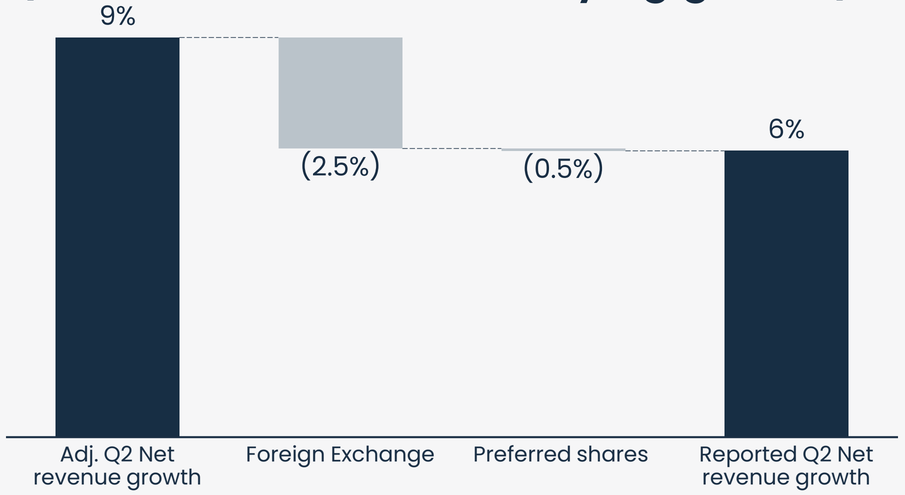
- In Q2 2025, our capital-light revenue streams accounted for 56% of total net revenue

- Adjusted return on equity rose to 17.5% in Q2 2025 (from 16.3% in Q2 2024), reflecting sustained growth in capital-light revenue and balance sheet flexibility

Net Revenue Categories (in millions)



Year-over-Year Net Revenue Growth (illustrative of core underlying growth)



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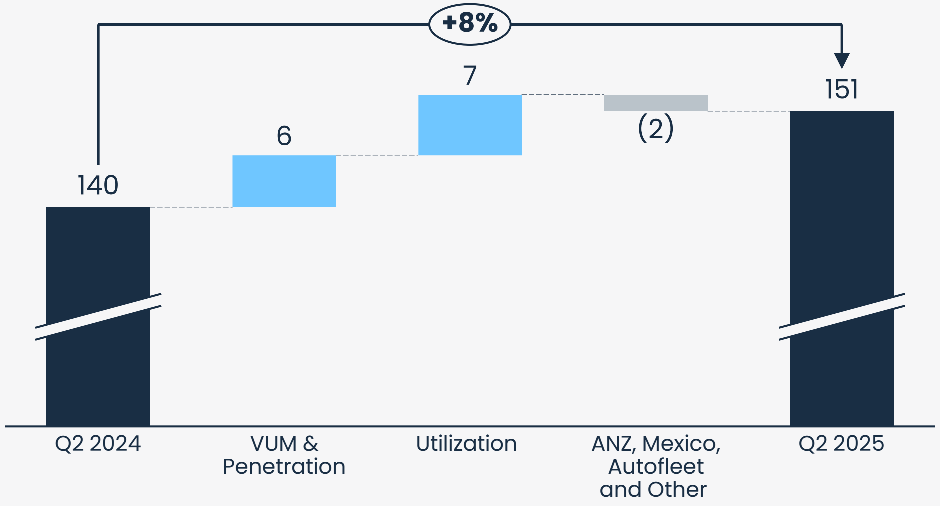
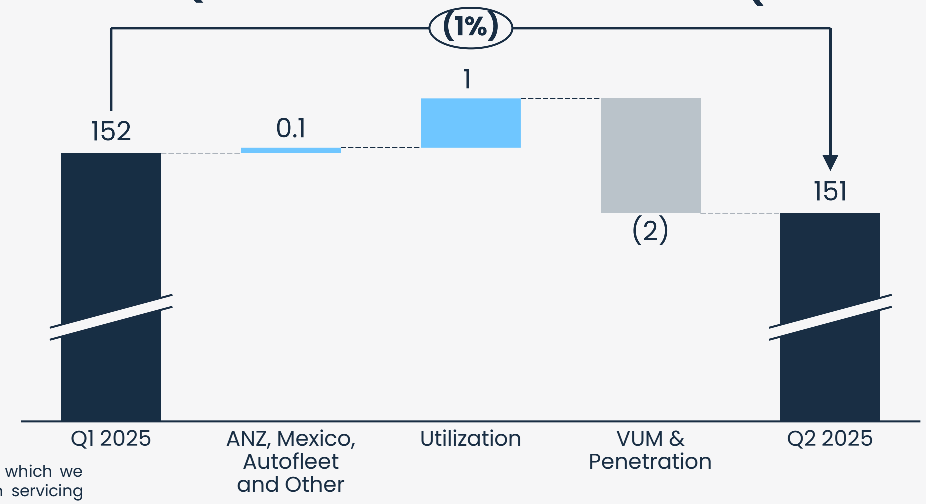
Sustained Momentum in Services Revenue

- Q2 2025 services revenue increased $11 million or 8% year-over-year to $151 million
- This growth reflects higher penetration and utilization rates of our offerings from new and existing clients
- Foreign exchange translation reduced services revenue by $3 million on a year-over-year basis. Excluding this impact, services revenue was up 10% year-over-year
- Q2 2025 services revenue decreased 1% quarter-over-quarter
- Key priorities to expanding share-of-wallet include advancing on initiatives such as Element Risk Solutions announced in the U.S. and Canada in Jan 2025[1], continued roll-out of Autofleet service offerings, and progressing on entry into the small-to-medium-sized fleet market

Q2 2024 to Q2 2025 Services Revenue (in millions)



Q1 2025 to Q2 2025 Services Revenue (in millions)



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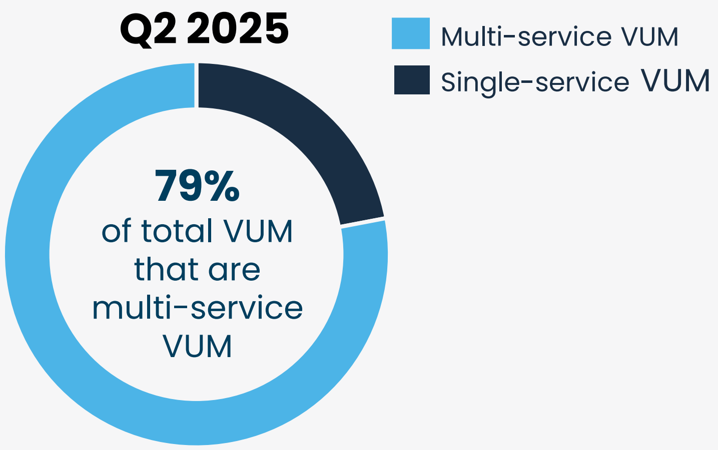
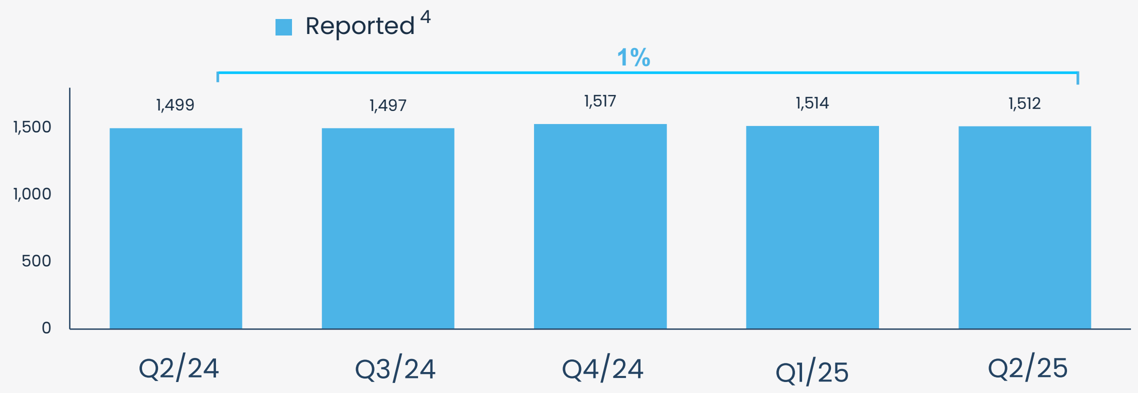
1. On January 30, 2025, we announced Element Risk Solutions - a fully integrated insurance and risk management offering. This new service, which we launched in a strategic partnership with Hub International Limited ("HUB"), a leading global insurance brokerage and financial services firm servicing commercial fleets, is designed to transform how clients insure and manage commercial fleets.

Growing Core VUM and Service Attachment Rates

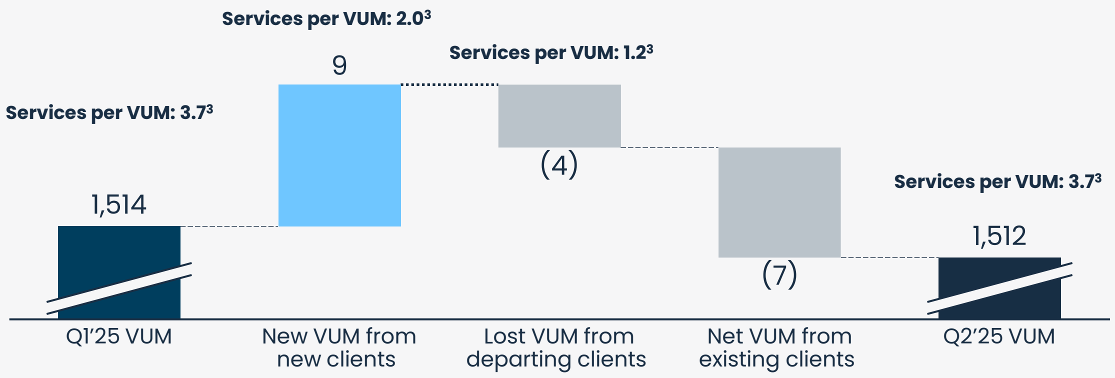
- Core VUM rose 1% year-over-year, attributed to steady client acquisition through market share gains and conversion from self-managed fleets
- Continued increase in service bundling (79%) and high client retention[1] (98%) underscore client engagement
- Strong cross-sell potential through targeted expansion of new service offerings and conversion of single-service VUM



End-of-period global VUM[2] (in thousands)



Quarter-over-Quarter VUM (in thousands)

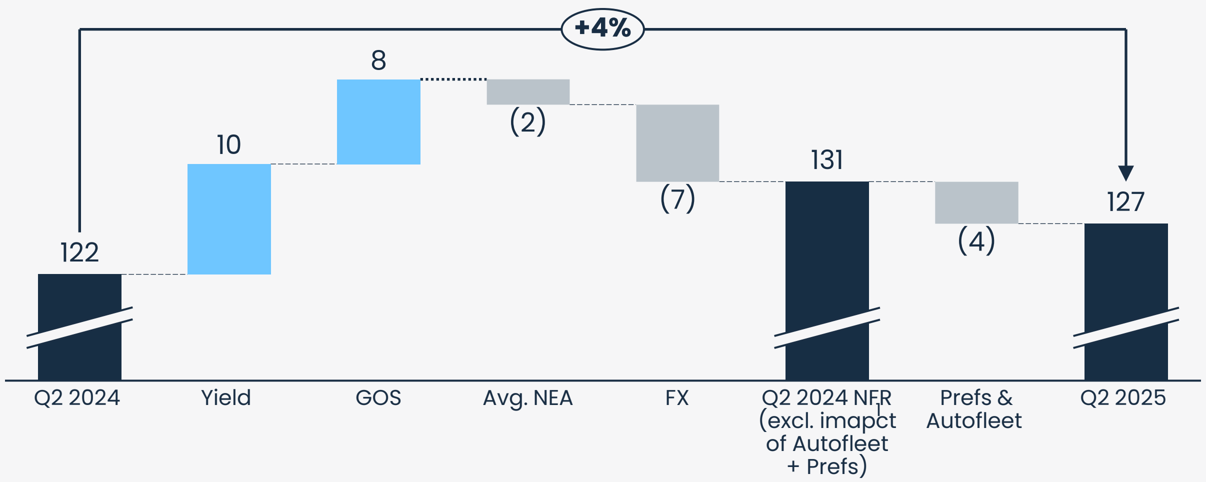


1. Calculated as a percentage of revenue
2. Every "VUM" is one unique vehicle (a) receiving or subscribed to one or more Element services, and/or (b) financed by Element, whether or not subsequently syndicated. In calculating VUM, management applies certain judgements and makes certain estimates, including in respect of a small number of single-service usage-based VUM. Certain estimates rely on information provided by our clients that could not be definitively validated. While there are inherent subjectivities in the VUM calculation due to these judgements and estimates, the Company believes that such judgements and estimates are reasonable. As of October 1, 2024, includes 9 thousand in acquired VUM from Autofleet (Q4/24), 10 thousand (Q1/25) and 10 thousand (Q2/25)
3. Represents the number of services per VUM in U.S. and Canada only, where the vast majority of our vehicles are located. The services being tracked are limited to Collision, Fleet Partnership Solutions, Fuel, Insurance, Maintenance & Roadside Assistance, Tax Benefits, Telematics, Title & Registration and Tolls & Violations. Excludes Acquisitions, Remarketing, Driver Safety and End of Contract services. Financing is excluded from total services count. Autofleet services are also excluded from the calculation.
4. As of Q1 2024, we concluded the provision of certain white-label services to competitors, releasing approximately 206,200 low-margin, single-service VUM that contributed immaterially to our financial results

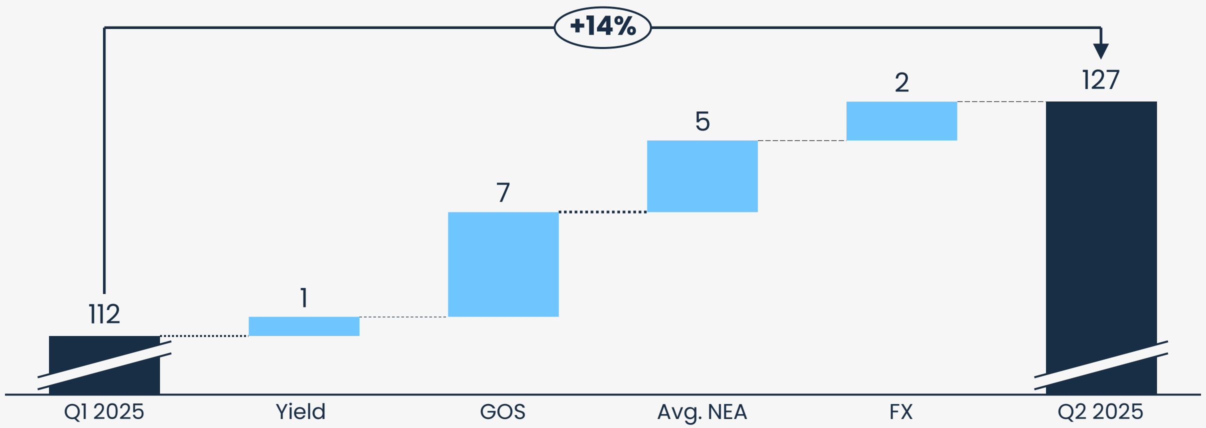
Net Financing Revenue (NFR)

- Q2 2025 NFR grew by $5 million or 4% year-over-year, driven by the on-going benefits from our leasing and funding initiatives, despite foreign exchange headwinds of $7 million
- Growth was partially offset by higher funding costs, associated with the redemption of preferred shares and the Autofleet acquisition from last year
- Q2 2025 NFR was up $16 million or 14% from Q1 2025, driven by the strong growth of net earning assets resulting from higher originations in U.S., Canada and Mexico during the quarter
- Strong GOS growth in Mexico and ANZ contributed to both the year-over-year and quarter-over-quarter increase in NFR

Q2 2024 to Q2 2025 NFR (in millions)



Q1 2025 to Q2 2025 NFR (in millions)



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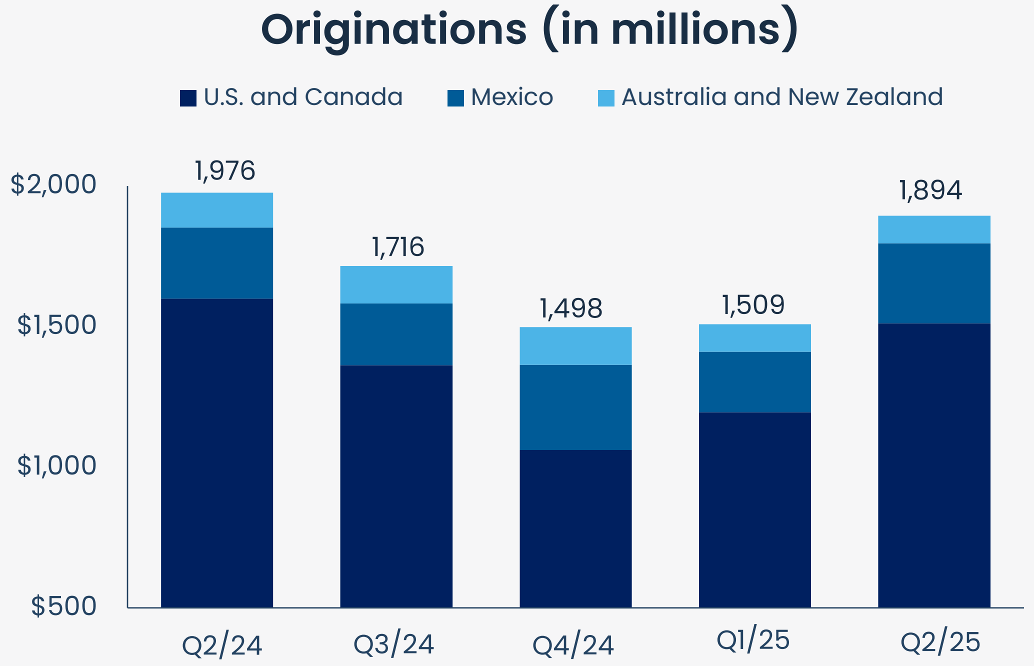
Orders & Originations

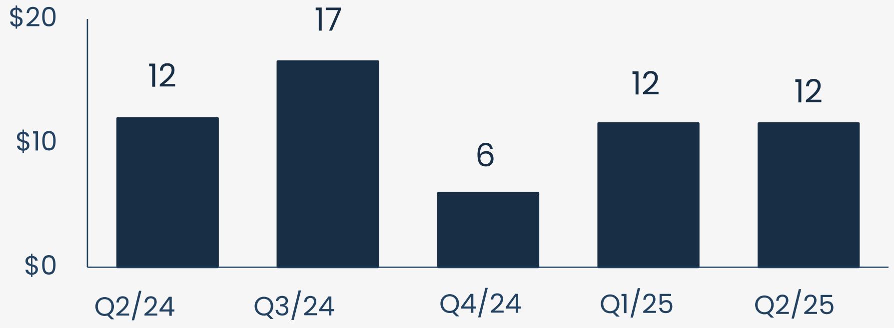
- In Q2 2025, we originated $1.9 billion in assets, a 4% decrease compared to the previous year. When excluding the impact of foreign currency translation, the decline in originated assets was 2%
- Strong client order activity continued in Q2, with solid year-over-year growth in order volumes and a committed order pipeline of $1.7 billion at the end of June
- Q2 typically marks the peak for originations in any given year, coinciding with the opening of OEM ordering windows
- The ordering process encompasses several stages: Order, Upfitting (for most vehicles), Origination and Lease Activation



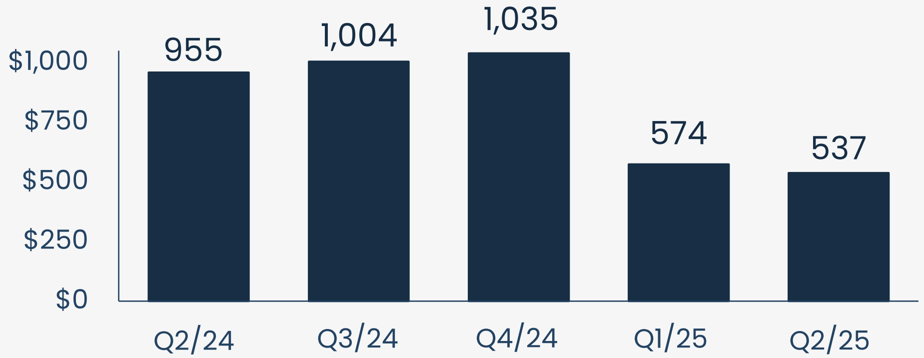
Syndication Revenue

- In Q2 2025, we syndicated assets totaling $537 million, a decrease of $418 million or 44% compared to the previous year, and a decline of $37 million or 6% from Q1 2025
- Despite the lower volume, Q2 2025 syndication revenue was steady at $12 million, supported by favourable client mix that resulted in a net syndication yield of 2.2%
- Pending the outcome of the U.S. tax legislation changes on reinstating bonus depreciation to 100% (from 40%), the Company opted to strategically defer the syndication of select activities to H2
- As of July 4, 2025, bonus depreciation has been restored to 100%. We anticipate that this change will increase syndication revenue by an additional ~$25 million on an annualized basis and support solid yields going forward
- There continues to be strong investor demand for debt products originated by Element

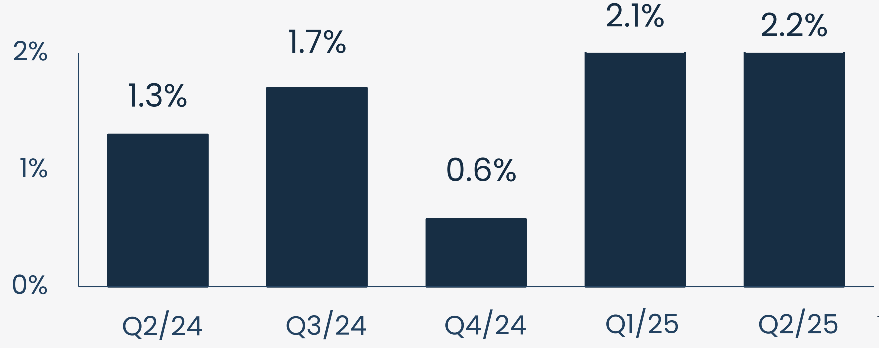
Syndication revenue (in millions)



Syndication volume (in millions)



Syndication yield



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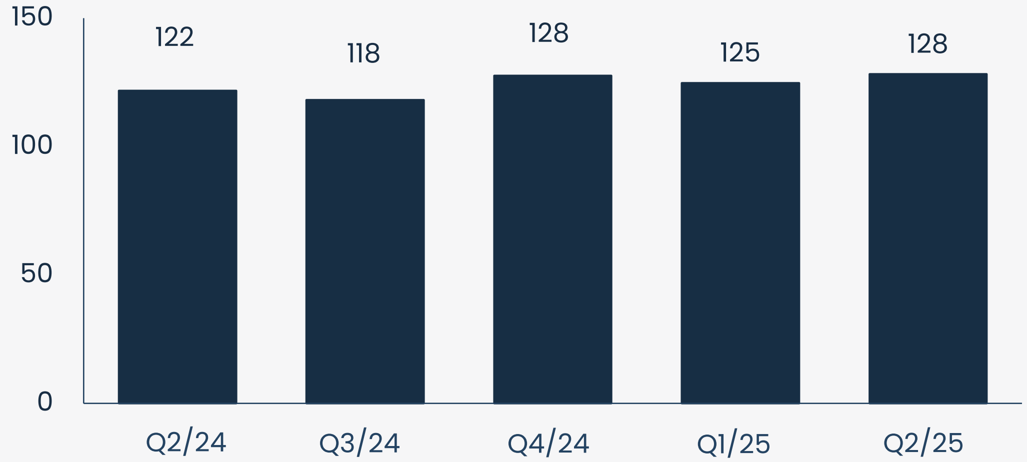
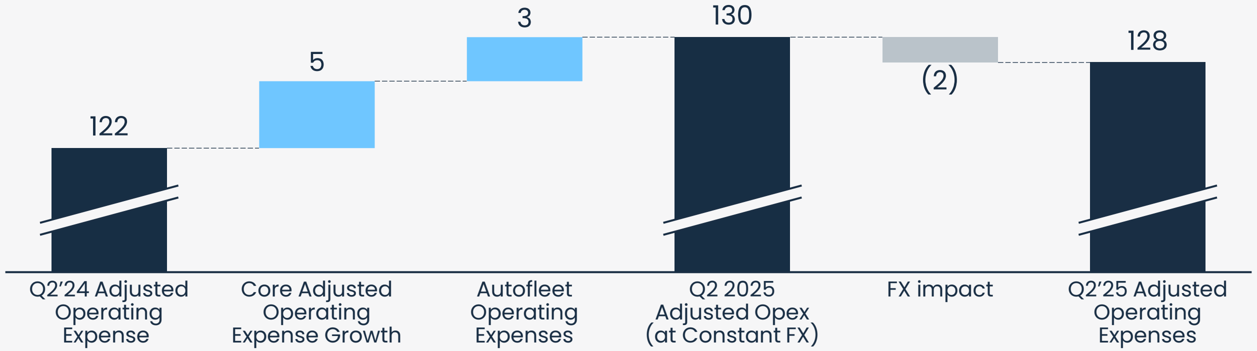
Adjusted Operating Expenses

- In Q2 2025 adjusted operating expenses[1] increased 5% year-over-year, continuing the moderating growth trend that was exhibited in Q1 2025
- Adjusted operating expenses benefited from foreign exchange tailwinds of $2 million in Q2 2025 compared to the prior year
- The key factors driving the increase are higher general and administrative expenses related to business development and higher depreciation & amortization expenses
- Efficient management of adjusted operating expense growth is expected to drive margin expansion and positive operating leverage

Quarterly Adjusted Operating Expenses



Components of Year-over-Year Adjusted Operating Expense Growth (in millions)



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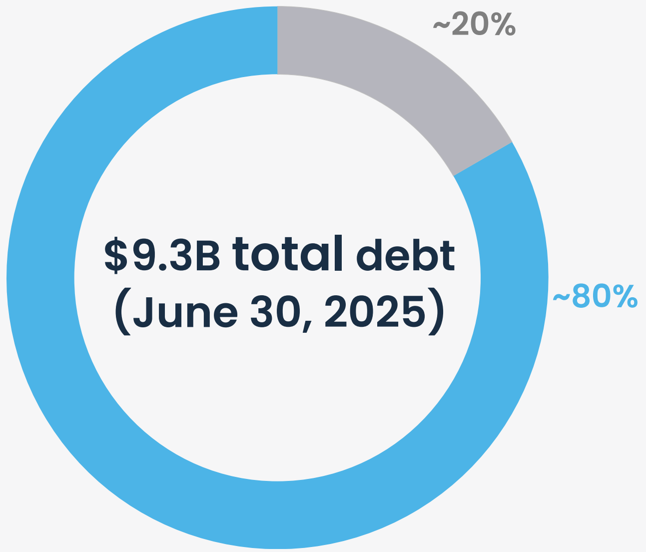
1. Q2 2024 and Q1 2024 excluded $2 million and $2 million, respectively, in strategic project costs attributable to the Company's leasing initiative in Ireland.

Low Risk & Resilient Business Model

Low Risk and Resilient Business

The vast majority of our total debt is funding high-quality lease receivables, with historically low credit losses. These assets are safe and mission critical in nature, making it strategically sound and stable for our use as leverage.



- Represents mission-critical client vehicles
- Net working capital, largely supporting our services business

Credit Losses as a % of finance receivables

2022	2023	2024
0.01%	0.02%	0.01%

Portfolio of Leases

~66%

Investment-Grade

Debt-to-capital Ratio (Q2/25)

76.1%

(Target range of 73-77%)

Credit Ratings	
S&P	BBB
Fitch	BBB+
DBRS	A (low)
KBRA	A-

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2025 Guidance[1]

- Supported by our solid H1 results we expect to end Full-year 2025 at-or-above the high-end of our Guidance ranges for all metrics with the exception of originations
- Given the recent depreciation of the U.S. dollar, foreign exchange headwinds are expected to moderate for the balance of 2025
- Maintaining positive operating leverage and driving internal efficiencies remain key priorities to continue to generate operating margin expansion
- Executing ambitious growth agenda focused on (1) continuing to grow organically; (2) transforming our digital, analytics, and operational capabilities; and (3) expanding beyond the core with new products and services

(US$millions, except per share amounts)	2024 Actuals	Full-year 2025 guidance
Net revenue	$1,088	$1,160 - $1,185
Adjusted Operating Income	$601	$645 - $670
Adjusted operating margins	55.3%	55.5 % - 56.5%
Adjusted EPS [diluted]	$1.10	$1.20 - $1.25
Adjusted free cash flow per share [diluted]	$1.35	$1.48 - $1.53
Originations	$6,732	$6,900 - $7,100

Our Guidance for 2025 incorporates the effects of several anticipated revenue headwinds, including the depreciation of the Mexican Peso (we have assumed an MXN-to-USD exchange rate of 20.5:1), higher interest expenses due to increased local Peso funding in 2025, and financing the redemption of the preferred shares. In addition, the scheduled reduction in bonus depreciation in the U.S. is likely to impact syndication yields. We also anticipate that our 2025 effective tax rate will average between 24.5% to 26.5%.

The above ranges are prior to any further material foreign exchange fluctuations, and any adverse impact related to changes in the trade agreements between the U.S., Mexico, and Canada.

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1. Financial results guidance in this investor presentation are forward-looking statements within the meaning of applicable securities law. Such statements are based upon Element's current internal expectations, estimates, assumptions, projections, and beliefs. The reader is cautioned that such statements may not be appropriate for other purposes. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. A discussion of some of the material risks affecting Element and its business appears under the heading "Risk Management & Risk Factors" in Element's Management Discussion and Analysis for the year ended December 31, 2024 and Element's quarterly MD&A for the period ended June 30, 2025.

FX Rate Trends[1] & Sensitivities

Currency Pair	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q2'24 to Q2'25 YoY Change	**FY25 Plan**
USD/CAD	1.368	1.364	1.399	1.436	1.384	1%	**1.355**
USD/MXN	17.256	18.927	20.078	20.419	19.516	13%	**20.500**
USD/AUD	1.518	1.493	1.534	1.595	1.561	3%	**1.477**
USD/NZD	1.653	1.637	1.693	1.762	1.687	2%	**1.605**

The following table illustrates the estimated impact of foreign currency translation on key income statement items, as a result of changes in average exchange rates.

(in US 000's except for per share amounts)	June 30, 2025 vs. June 30, 2024
Net revenue	($10)
Adjusted operating expenses	($2)
Adjusted operating income (AOI)	($8)
Adjusted EPS [Diluted]	($0.02)

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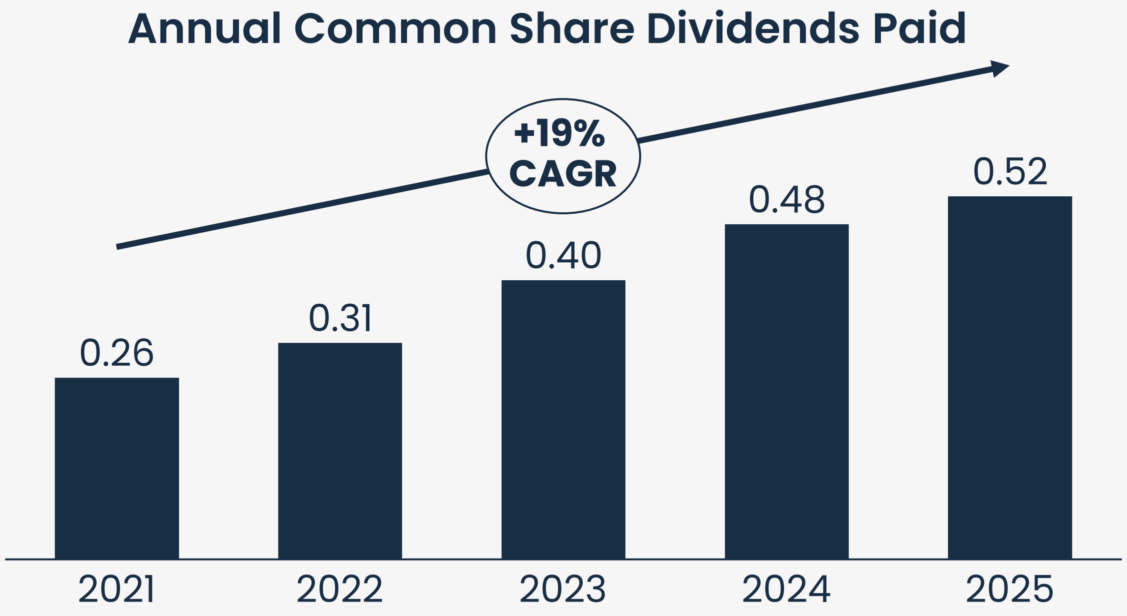
1. Oanda/Bank of Mexico Avg. Rates

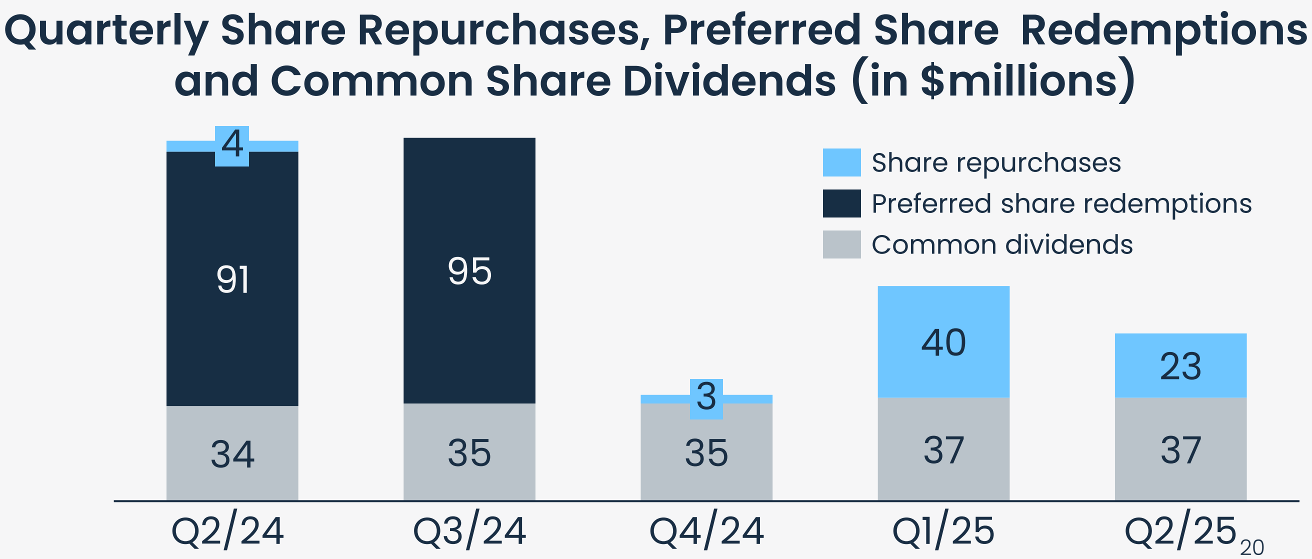
Return of Capital to Shareholders

Our capital allocation priorities:

- Prudently reinvesting in the business;
- Managing to our target debt-to-capital ratio;
- Paying a consistent and growing dividend (in the range of 25-35% LTM FCF);
- Redeem all remaining series of high-cost preferred shares (now complete); and
- Common share repurchases

In Q2, we returned $61 million of cash to shareholders through common dividends and common share repurchases.





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Sustainability

Sustainability Highlights

In **May 2025**, we issued our fifth annual Sustainability Report.

Highlights from the 2025 Sustainability Report include:

- Exceeded our Scope 1 and 2 greenhouse gas emission reduction target, with a decrease of 80% compared to our 2019 baseline
- $1.9 billion spent across 4,800+ diverse suppliers in network
- Electric vehicles under management[1] rose to 95,000 as at December 2024, up from 45,000 in the prior year
- Enhanced alignment with leading sustainability frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD)
- 60% women on our Board of Directors

WE SUPPORT

United Nations Global Compact (UNGC)
Element has been a signatory of the UNGC since 2022, supporting the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption.

United Nations Sustainable Development Goals (UN SDGs)
Element supports the UN SDGs. We align our efforts to five UN SDGs that are most relevant to our business: Good Health and Well-Being, Quality Education, Decent Work and Economic Growth, Reduced Inequalities, and Climate Action.

Science Based Targets initiative (SBTi)
We have two near-term science-based targets that have been validated by the SBTi.

Task Force on Climate-related Financial Disclosures (TCFD)
We report according to the recommendations set forth by the TCFD.

1. eVUM consists of battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), hybrid electric vehicles (HEVs), and hydrogen vehicles

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