element

Q1 2025
Investor Presentation

Element Fleet Management
(TSX: EFN)

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 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).

Continued growth momentum underpinned by the resilience of our business

- Strong Q1 2025 results highlight the robustness of our business model, as well as our financial and operational resilience, allowing us to effectively manage global trade challenges while supporting clients and driving results
- Solid net revenue growth driven by year-over-year increases across all categories, despite meaningful foreign currency translation impact ($17 million) and Q1 2024 services revenue benefitting from $7 million in certain non-recurring items (as previously disclosed)
- Client order volumes remain strong; client order backlog rose to $2 billion in Q1 2025
- Adjusted operating expense growth in Q1 2025 slowed to 5% year-over-year — a trend we anticipate will continue throughout the year, supporting margin expansion
- Returned $77 million of cash to shareholders through common dividends ($37 million) and common share repurchases ($40 million) in Q1, representing 53% of adjusted free cash flow
- 2025 Guidance remains in place, underpinned by solid Q1 2025 results and resilient client demand; adjusted ROE reached 16.7% in Q1 2025, up from 15.4% a year ago
- Focused on innovating, digitizing, and adapting to sustain long-term success and lead the way in defining the future of mobility.

Well-positioned to continue delivering for clients and shareholders in 2025 and beyond

Q1 2025 Results

Q1 2025 Financial Highlights

Excluding the $7 million in certain non-recurring services revenue in Q1 2024 and on a year-over-year basis:

- Net revenue grew 8%
- Services revenue grew 9%
- Adj. operating margin expanded 125 bps

16.7%
Adjusted ROE[1] in Q1/25

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

Net revenue
$276M +2% | +5%

Services revenue
$152M (6)% | +4%

Adj. operating income[1]
$151M +5% | +5%

Adj. operating margin[1]
54.7% +180bps | - bps[2]

Adj. Free Cash flow/share[1] [diluted]
$0.36 +20% | +9 %

Adj. EPS[1] [Diluted]
$0.28 +4% | +8%

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 March 31, 2025, which have been filed on SEDAR (www.sedarplus.ca).
2. Core adjusted operating expenses growth is calculated as adjusted operating expenses on a constant currency basis and excluding $3.3 million in Autofleet expenses.

Q1 key financial metrics

(US$millions, except per share) Key Metrics	Adjusted[1] Q1 2025	Adjusted[1] QoQ	Adjusted[1] YoY	Reported Q1 2025	Reported QoQ	Reported YoY
Services revenue	$152	(6%)	4%	$152	(6%)	4%
Net financing revenue	$112	8%	4%	$112	8%	4%
Syndication revenue	$12	95%	41%	$12	95%	41%
Net revenue	$276	2%	5%	$276	2%	5%
Operating expenses	$125	(2%)	5%	$135	(4%)	2%
Operating income	$151	5%	5%	$141	8%	8%
Operating margin	54.7%	+180 bps	- bps	51.0%	+310 bps	+150 bps
Originations	$1,509	1%	(2%)	$1,509	1%	(2%)
EPS [diluted]	$0.28	4%	8%	$0.25	9%	9%
Free cash flow per share [diluted]	$0.36	20%	9%			
Return on equity	16.7%	+130 bps	+130 bps	15.2%	+200 bps	+150 bps

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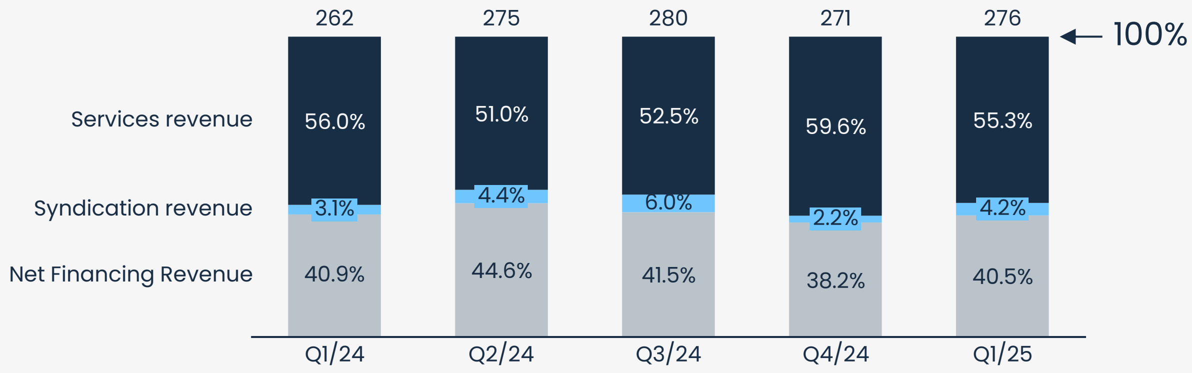
Financial Performance

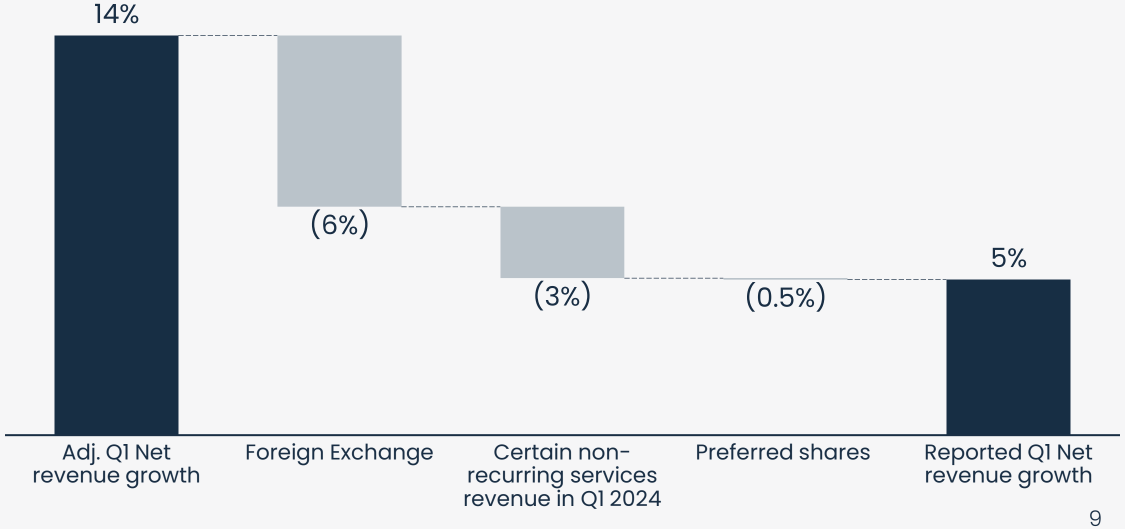
Drivers of net revenue growth in Q1

- Q1 2025 net revenue growth of 5% year-over-year was driven by growth across all categories despite an unfavourable year-over-year foreign currency translation impact of $17 million (primarily depreciation in the Mexican Peso and the Australian dollar)
- Q1 2024 net revenue benefitted from $7 million in certain non-recurring services revenue. Excluding the non-recurring items last year, net revenue increased by 8%, and services revenue grew by 9%
- Syndication revenue continues to benefit from strong investor demand, with volume in Q1 2025 up 21% year-over-year
- Revenue mix and the growth in capital light revenue are driving higher adjusted ROE (16.7% in Q1 2025, up from 15.4% a year ago)
- Capital light revenue represented 59% of total net revenue in Q1 2025

Net revenue categories (in millions)



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



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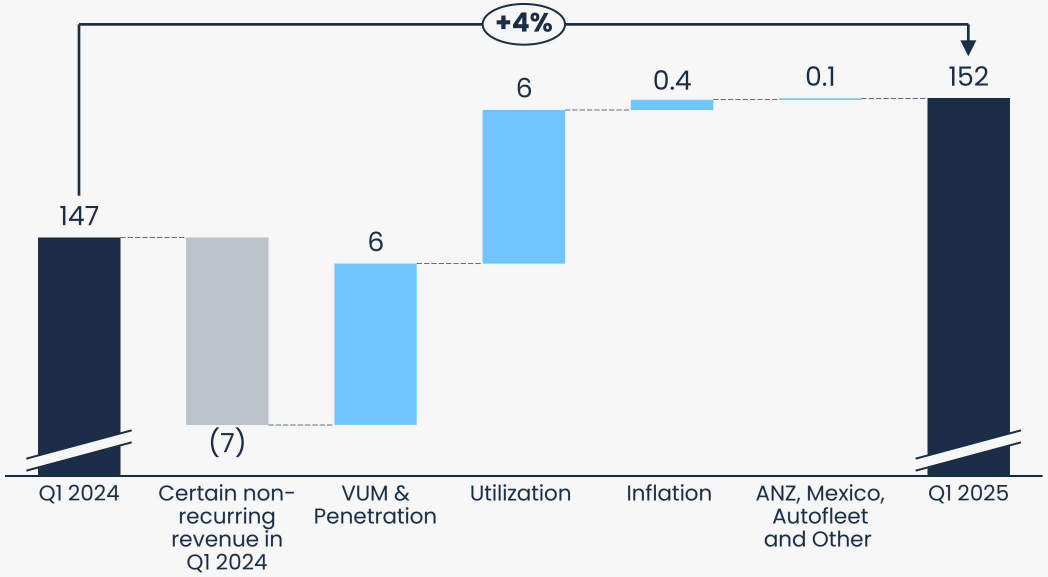
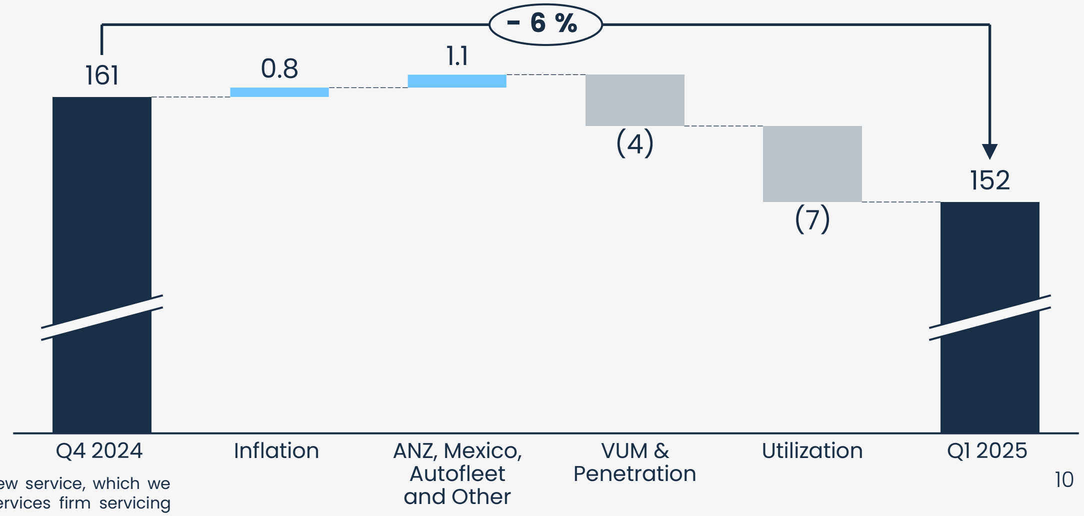
Solid services revenue growth

- Q1 2025 services revenue increased $5 million or 4% year-over-year to $152 million
- This growth reflects higher penetration and utilization rates of our service offerings from new and existing clients
- Q1 2024 services revenue benefited from $7 million in certain non-recurring items. Excluding this, services revenue grew 9% year-over-year. In addition, foreign exchange translation reduced service revenue by $6 million on a year-over-year basis
- Q1 2025 services revenue decreased 6% quarter-over-quarter from a record Q4 2024, which benefitted from certain timing-related factors
- Expanding services into new client segments. New insurance risk solution announced in the U.S. and Canada in Jan 2025[1], and continue to explore entry into the small-to-medium-sized fleet market.

Q1 2024 to Q1 2025 services revenue (in millions)



Q4 2024 to Q1 2025 services revenue (in millions)



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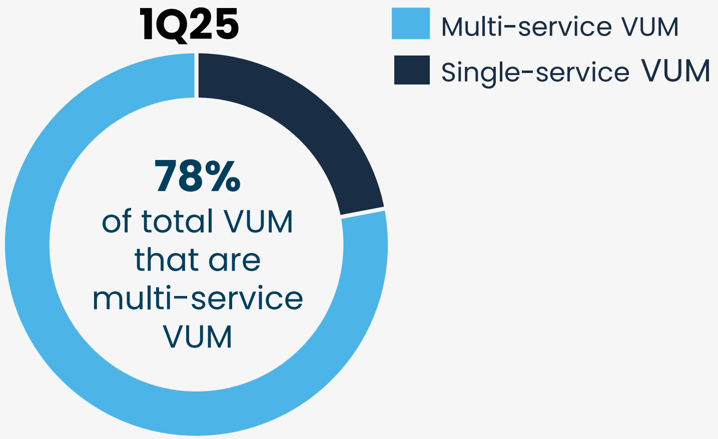
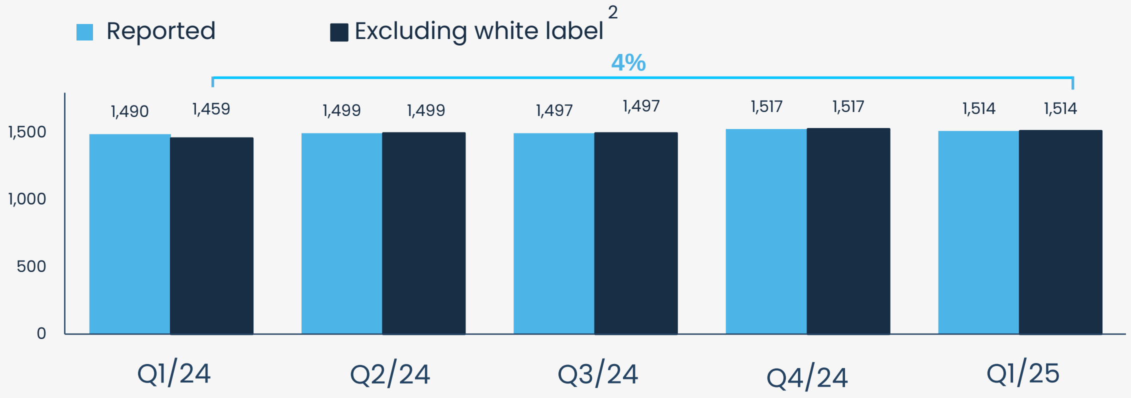
1. On January 30, 2025, we announced Element Risk Solutions – a fully integrated insurance and risk management offering. This new service, which we launched in a strategic partnership with Hub International Limited ("HUB"), a leading global insurance brokerage and financial services firm servicing commercial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

Growing core VUM and service attachment rates

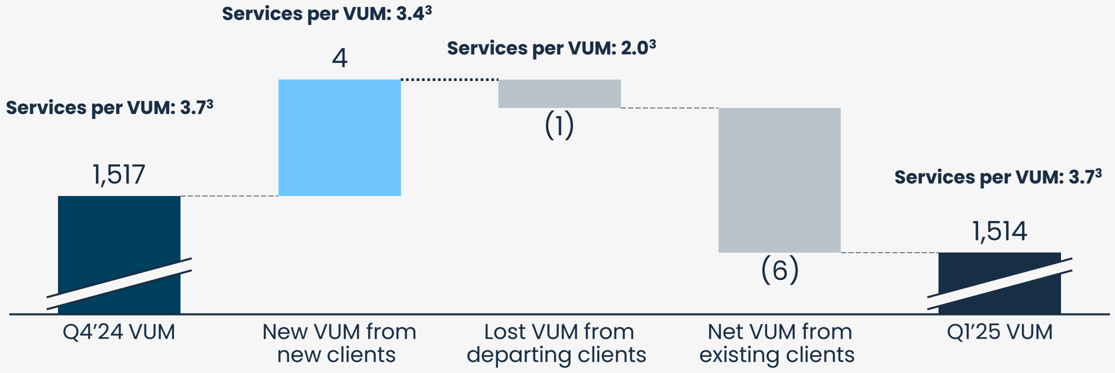
- Core VUM increased 4% year-over-year, due to the addition of new clients from both earning share and converting self-managed fleets
- Onboarding clients at a higher-than-average service attachment rate per VUM
- Combined, this translates into higher client revenue retention and improved revenue "stickiness"



End-of-period global VUM[1] (in thousands)



Quarter-over-Quarter VUM (in thousands)

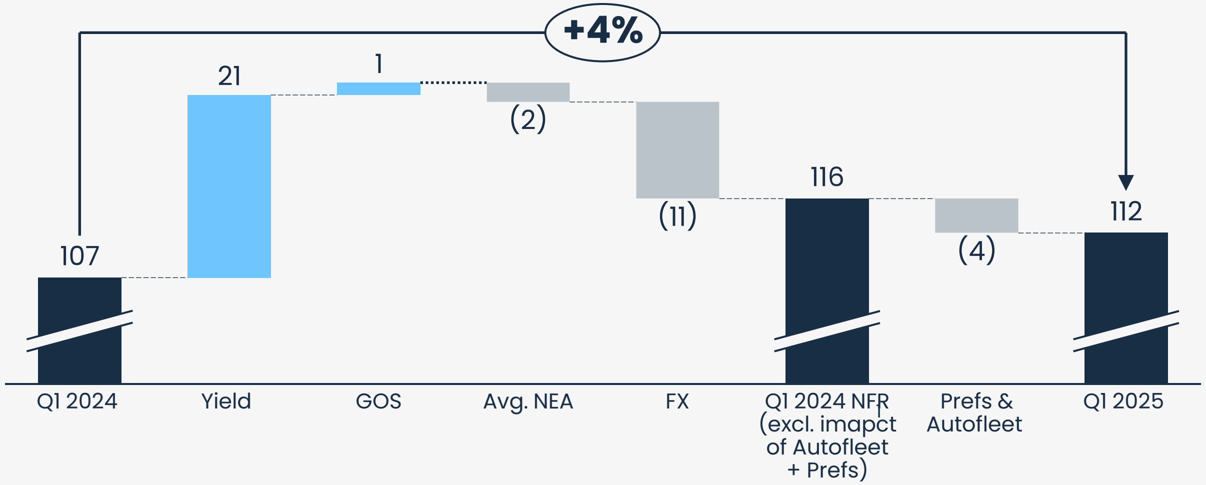


1. Every "VUM" is one unique vehicle (a) receiving or subscribed to one or more Element services, and/or (b) financed by Element, whether or not subsequently syndicated. In calculating VUM, management applies certain judgements and makes certain estimates, including in respect of a small number of single-service 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) and 10 thousand (Q1/25).
2. We released approximately 31,400 VUM in 1Q24 in relation to our move to end the provision of certain white-label services to competitors.
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.

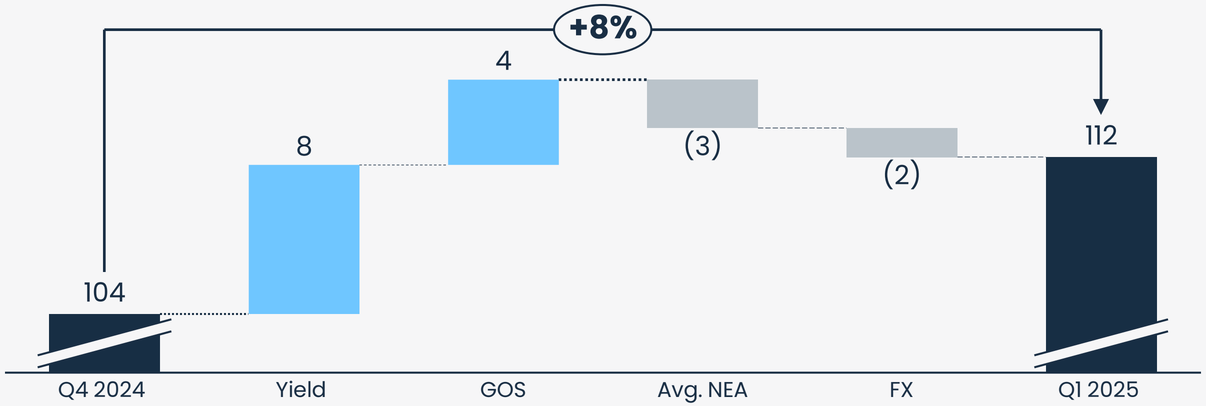
Net financing revenue (NFR)

- Q1 2025 NFR grew by $4 million or 4% year-over-year, primarily due to strong growth in financing income driven by both pricing and funding initiatives
- Growth was partially offset by higher funding costs, primarily due to the redemption of preferred shares (previously recorded below the AOI line) and incremental debt from the Autofleet acquisition. The year-over-year decrease in GOS resulted from unfavourable foreign currency translation, as on an underlying basis higher vehicle volume more than offset used vehicle price normalization (as shown in the waterfall)
- The aggregate impact of foreign currency exchange translation reduced net financing revenue by $11 million year-over-year

Q1 2024 to Q1 2025 NFR (in millions)



Q4 2024 to Q1 2025 NFR (in millions)



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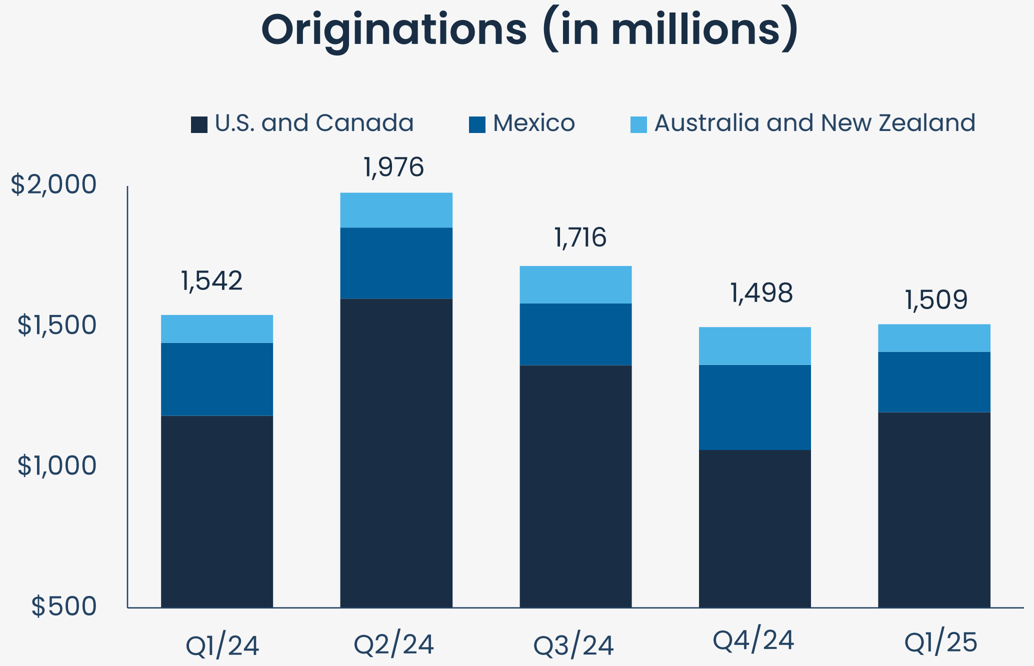
1. Reflects incremental interest expense booked in net financing revenue in connection with the preferred share redemptions and the impact of incremental debt due to the acquisition of Autofleet.

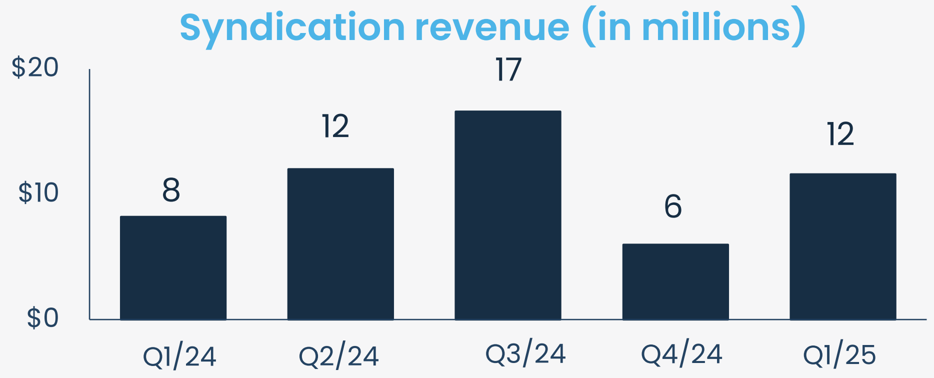
Orders & Originations

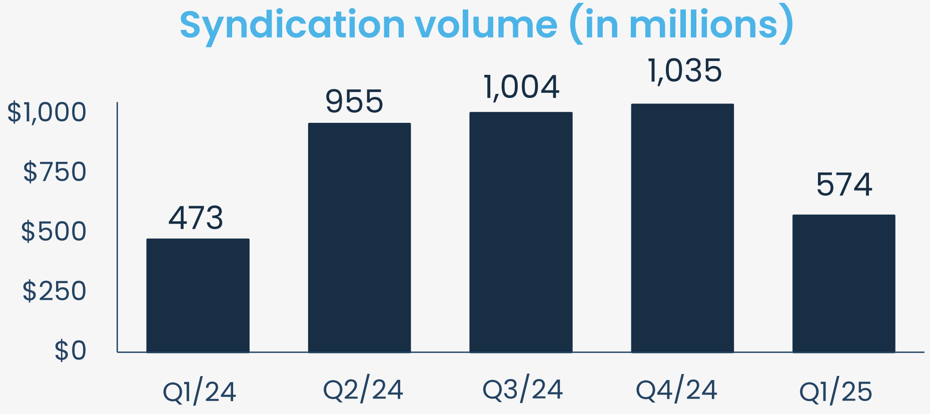
- We originated $1.5 billion of assets in Q1 2025, down year-over-year largely reflecting foreign exchange translation headwinds (primarily the depreciation in the Mexican Peso and the Australian dollar). This decrease was partly offset by increased volumes in the U.S. and Canada.
- Strong client order activity over the past two quarters expected to drive higher origination volume in the coming quarters
- Q2 typically represents the quarterly high watermark for originations in any given year, aligned with the opening of OEM ordering windows
- The ordering cycle includes the stages of Order, Origination, Upfitting (for most vehicles), and lease Activation

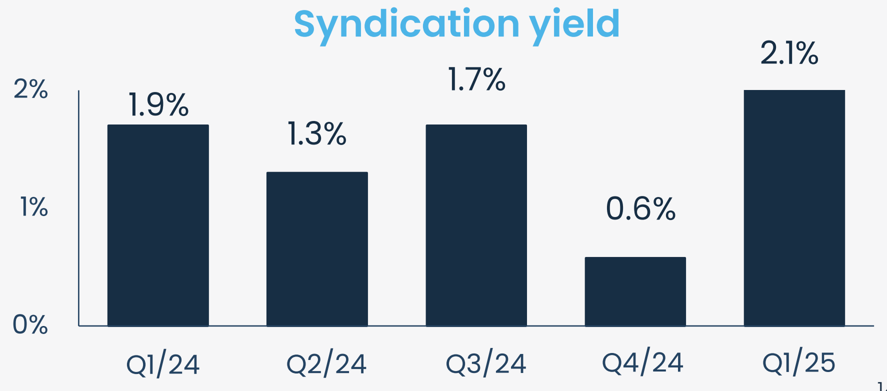


Syndication revenue

- We syndicated $574 million of assets in Q1 2025 – up $101 million or 21% year-over-year, and down $461 million or 45% quarter-over-quarter
- Q1 2025 net syndication yield of 2.1% largely reflected favourable syndication mix
- Q4 2024 syndication volume included a bulk sale of the Canadian lease portfolio to Blackstone, which included one-time set-up costs that drove net yields lower in Q4
- Reflecting these factors, syndication revenue was up materially compared to both Q1 2024 and Q4 2024
- In Q1 2025, the Company made the decision to delay the syndication of certain assets to the second half of 2025 pending the outcome of proposed U.S. tax legislation changes that would reinstate bonus depreciation to 100%, and would meaningfully increase net yields
- Investor demand for Element-originated debt product remains robust







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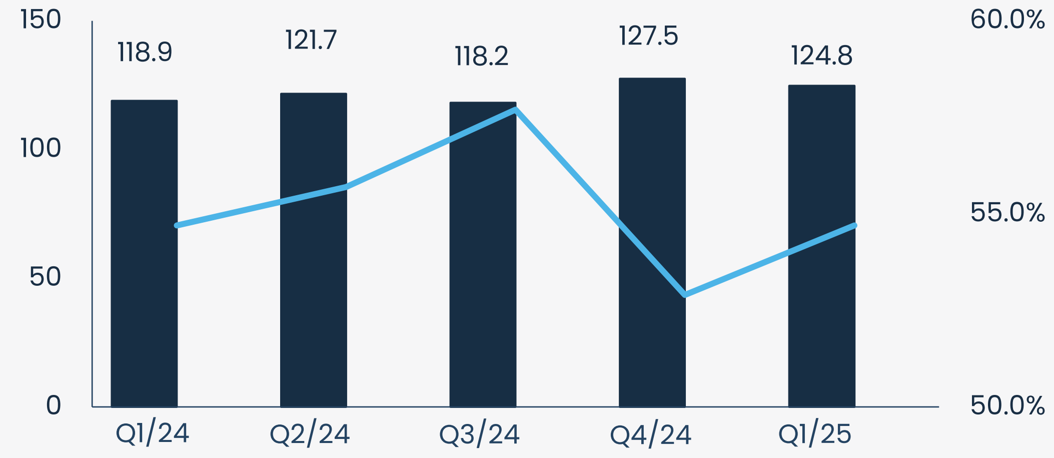
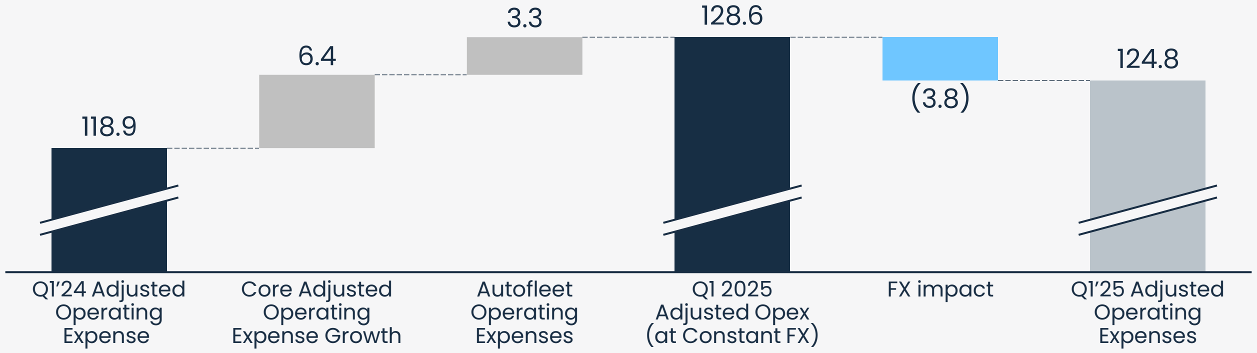
Adjusted operating expenses

- Adjusted operating expense growth moderated in Q1 2025 — a trend we expect to continue through the remainder of 2025
- Q1 2025 adjusted operating expense was up 5% year-over-year. Foreign currency translation had a favourable impact of $4 million on expenses on a year-over-year basis
- Key drivers of the increase were higher G&A expenses tied to business development, higher professional fees, and Autofleet operating expenses of $3 million in Q1 2025
- Adjusted operating expense growth moderation will help to underpin adjusted operating margin expansion in line with 2025 guidance

Quarterly Adjusted Operating Expenses & Adjusted Operating Margin



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



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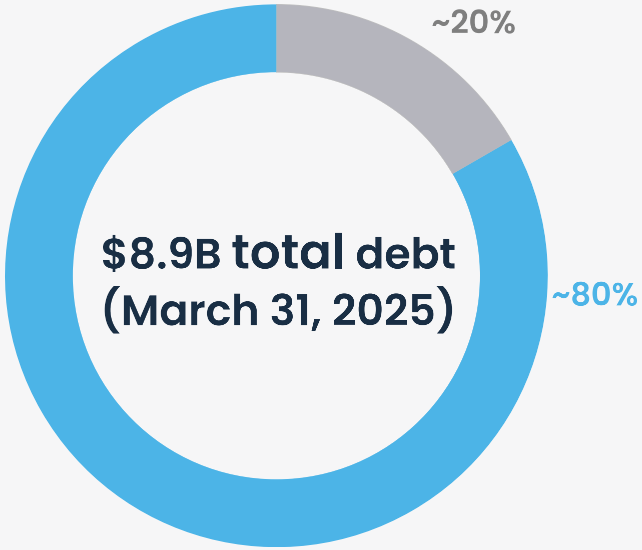
Low Risk & Resilient Business Model

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

~65%

Investment-Grade

Debt-to-capital Ratio (Q1/25)

74.9%

(Target range of 73-77%)

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

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2025 Guidance[1]

- 2025 Guidance is unchanged amid solid Q1 2025 results, resilient client demand, and confidence in outlook despite macro uncertainty
- We also anticipate that the unfavourable impact of foreign exchange translation seen in our Q1 2025 results will lessen as 2025 progresses
- Target positive adjusted operating leverage in managing the business, underpinning further operating margin expansion
- Executing ambitious growth agenda focused on (1) continuing to grow organically; (2) transforming holistic digital, analytics, and operational capabilities; and (3) expanding beyond the core with new products/services in insurance, and small- to medium-sized fleets

(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]	$1.11	$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.

FX rate trends[1] & sensitivities

Currency Pair	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q1'24 to Q1'25 YoY Change	**FY25 Plan**
USD/CAD	1.348	1.368	1.364	1.399	1.436	6%	**1.355**
USD/MXN	16.971	17.256	18.927	20.078	20.419	20%	**20.500**
USD/AUD	1.520	1.518	1.493	1.534	1.595	5%	**1.477**
USD/NZD	1.632	1.653	1.637	1.693	1.762	8%	**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$ millions except for per share amounts)	March 31, 2025 vs. March 31, 2024
Net revenue	($17)
Adjusted operating expenses	($4)
Adjusted operating income (AOI)	($13)
Adjusted EPS [Diluted]	($0.02)

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1. Oanda/Bank of Mexico Avg. Rates

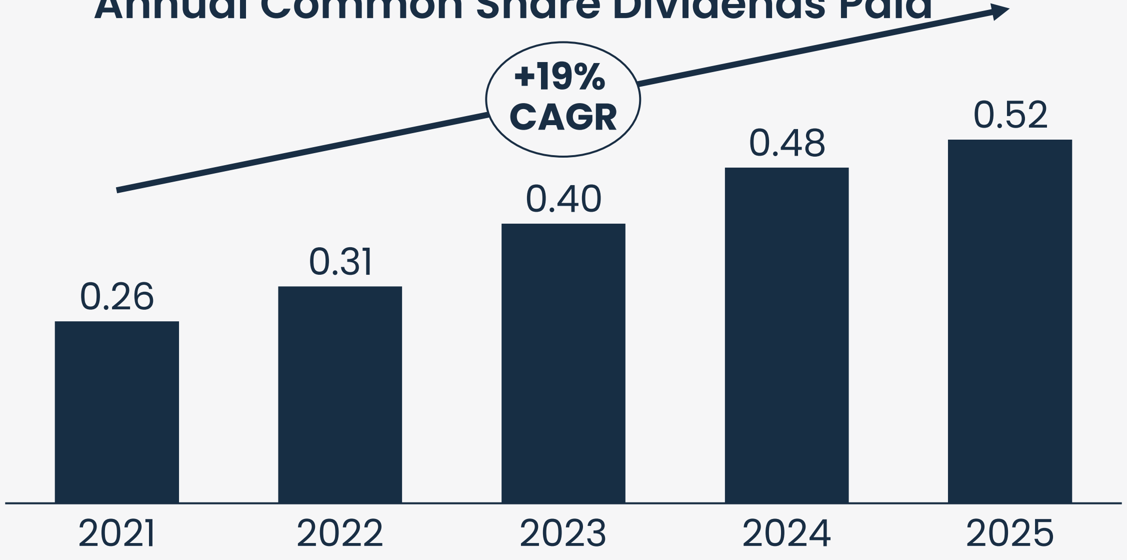
Return of Capital to Shareholders

Our capital allocation priorities:

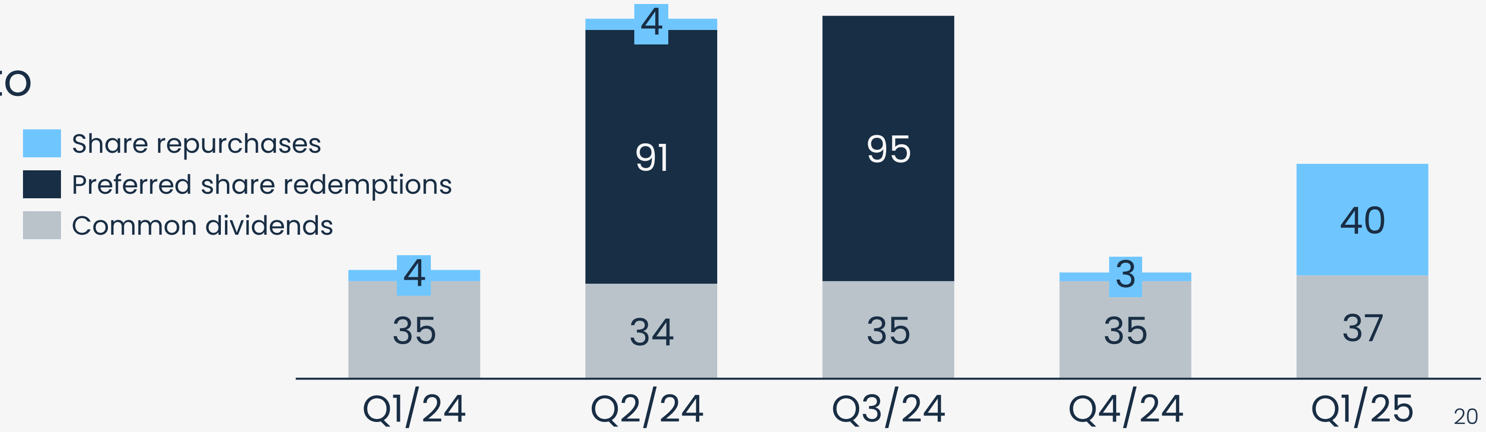
- Prudently reinvesting in the business;
- Managing to our target debt-to-capital ratio;
- Paying a consistent and growing dividend (in the range of 25-35% LTM FCF);
- Redeem all remaining series of high-cost preferred shares (now complete); and
- Common share repurchases

In Q1, we returned $77 million of cash to shareholders through common dividends and common share repurchases.

Annual Common Share Dividends Paid



Quarterly Share Repurchases, Preferred Share Redemptions and Common Share Dividends (in $millions)



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