



Full-Year & Q4 2024 Investor Presentation

Element Fleet Management
(TSX: EFN)



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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 manufacturers' 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).

Overview: Delivering for clients & shareholders

2024

- Driven by our Purpose to *Move the world through intelligent mobility*, we delivered record results in 2024, within or above our 2024 guidance on all key metrics, except for originations
- A commitment to enhancing the client experience and driving improved commercial capabilities resulted in double-digit net revenue growth, highlighted by an 18% year-over-year increase in services revenue and a 9% year-over-year increase in net financing revenue
- Strong performance in 2024 allowed for acceleration of strategic investments, which will position us for sustained industry leadership and future success
- While these strategic investments did contribute to higher expense growth, operational discipline helped deliver adjusted operating margins within our 2024 guidance range of 55.0 to 55.5%. Excluding Autofleet, adjusted operating margin was 55.6% in 2024
- Element returned \$336 million to shareholders in 2024 via common dividends (\$139 million), common share buybacks (\$11 million), and redemptions of preferred shares (\$186 million), representing 61% of Adjusted Free Cash Flow

Overview: Well-positioned for 2025 and beyond

2025

- With strong business momentum, a resilient business model, and the benefits from investments made in 2024, Element is well-positioned to continue creating value for shareholders in 2025 and beyond
- Reaffirming 2025 guidance for net revenue growth of 6.5 to 8.5%, positive adjusted operating leverage, and high single- to low double-digit growth in each of adjusted operating income, adjusted EPS, and adjusted free cash flow per share
- Operating expense growth is expected to moderate considerably in 2025 as the benefits of the investments undertaken in 2024 begin to materialize
- With the fleet and mobility industries rapidly evolving, we see tremendous opportunities ahead for Element. To capitalize on these opportunities, our strategy will focus on the following:
 - Continuing to grow organically
 - Transforming our holistic digital, analytics, and operational capabilities
 - Expanding beyond the core with new products and services such as Insurance, and digitally enabled offerings in small- to Medium-Fleets and shared mobility



Full-Year & Q4 2024 Results

Achieved 2024 guidance targets, except for originations

Key metrics \$ USD million, except per share	FY 2024 Results ¹	FY 2024 Guidance	Achieved
Net revenue	\$1,088	\$1,060 – 1,080	✓
Adjusted Operating margin ²	55.3%	55.0% – 55.5%	✓
Adjusted operating income	\$601	\$575 – 595	✓
Adjusted EPS [basic]	\$1.12	\$1.07 – \$1.11	✓
Adjusted free cash flow per share	\$1.38	\$1.32 – \$1.36	✓
Originations	\$6,732	\$7,000 – 7,400	

2024 Financial Highlights

(\$US millions)

Record results across key metrics; building on our commercial momentum

Services revenue grew 18% year-over-year driven largely by higher penetration and utilization rates

Strong and growing client pipeline

Excluding Autofleet, adjusted operating margin was 55.6%

Net revenue

\$1B +13% Y/Y

Services revenue

\$596M +18% Y/Y

Adj. operating income¹

\$601M +13% Y/Y

Adj. operating margin¹

55.3% unchanged Y/Y

Adj. Free Cash flow/share¹

\$1.38 +11% Y/Y

Adj. EPS¹

\$1.12 +14% Y/Y

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 year ended December 31, 2024, which have been filed on SEDAR (www.sedarplus.ca).

Q4 2024 Financial Highlights

(\$US millions)

Double-digit year-over-year revenue growth

Driven by 25% services revenue growth year-over-year

Excluding Autofleet, Q4 2024 adjusted operating margin was 54.1%

Net revenue

\$271M (3)% Q/Q | +11% Y/Y

Services revenue

\$161M +10% Q/Q | +25% Y/Y

Adj. operating income¹

\$143M (11)% Q/Q | +6% Y/Y

Adj. operating margin¹

52.9% (480)bps Q/Q | (210)bps Y/Y²

Adj. Free Cash flow/share¹

\$0.30 (17)% Q/Q | +3 % Y/Y

Adj. EPS¹

\$0.27 (7)% Q/Q | +8% Y/Y

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2. Strong performance allowed for acceleration of strategic investments to position us for future success.

2024 key financial metrics

(US\$millions, except per share)		
Key Metrics	2024	Adjusted ¹ YoY
Services revenue	\$596	18%
Net financing revenue	\$449	9%
Syndication revenue	\$43	(6%)
Net revenue	\$1,088	13%
Operating expenses	\$486	13%
Operating income	\$601	13%
Operating margin ²	55.3%	Unchanged
Originations	\$6,732	6%
EPS [basic]	\$1.12	14%
EPS [basic] - \$CAD	\$1.53	16%
Free cash flow per share	\$1.38	11%
Free cash flow per share - \$CAD	\$1.89	13%

	2024	Reported YoY
	\$596	18%
	\$449	9%
	\$43	(6%)
	\$1,088	13%
	\$545	13%
	\$543	14%
	49.9%	+10 bps
	\$6,732	6%
	\$0.96	12%
	\$1.31	16%

Q4 key financial metrics

(US\$millions, except per share)						
Key Metrics	Adjusted ¹			Reported		
	Q4 2024	QoQ	YoY	Q4 2024	QoQ	YoY
Services revenue	\$161	10%	25%	\$162	10%	25%
Net financing revenue	\$103	(11%)	1%	\$103	(11%)	1%
Syndication revenue	\$6	(64%)	(55%)	\$6	(64%)	(55%)
Net revenue	\$271	(3%)	11%	\$271	(3%)	11%
Operating expenses	\$128	8%	16%	\$141	1%	5%
Operating income	\$143	(11%)	6%	\$130	(8%)	17%
Operating margin	52.9%	(480 bps)	(210 bps)	47.9%	(230 bps)	+256 bps
Originations	\$1,498	(13%)	1%	\$1,498	(13%)	1%
EPS [basic]	\$0.27	(7%)	8%	\$0.23	(1%)	3%
EPS [basic] - \$CAD	\$0.37	(8%)	12%	\$0.32	(3%)	19%
Free cash flow per share	\$0.30	(17%)	3%			
Free cash flow per share - \$CAD	\$0.41	(16%)	2%			

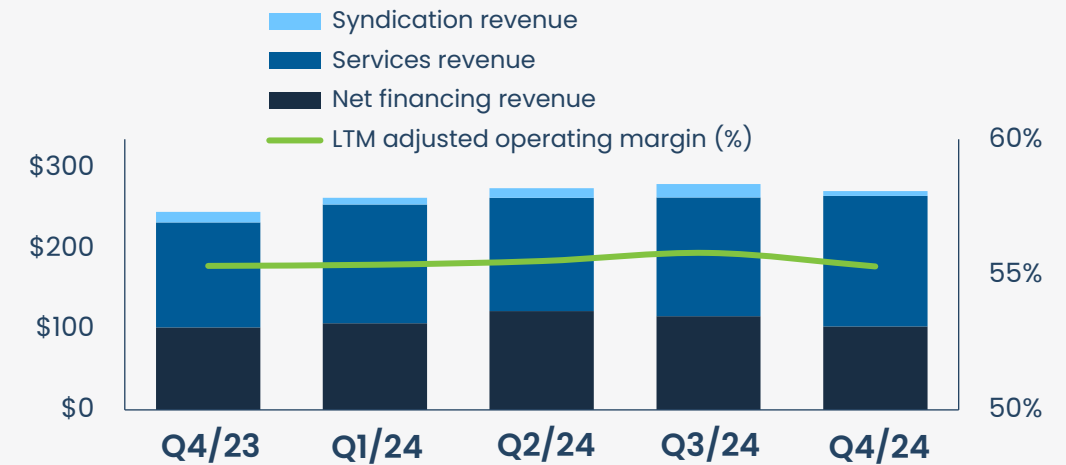
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Financial Performance

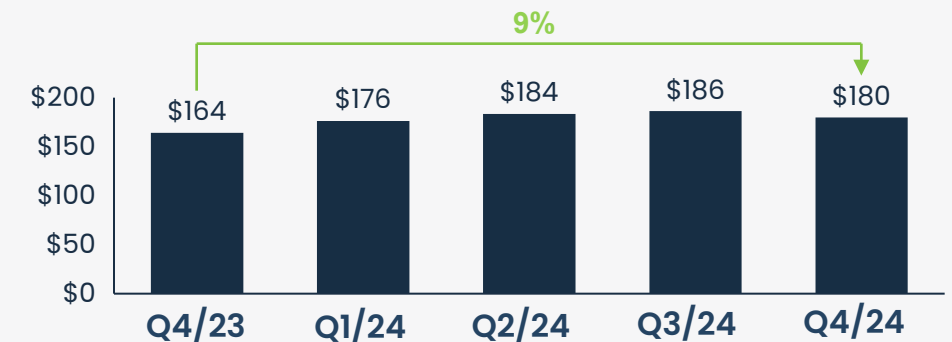
Drivers of record net revenue in 2024

- 2024 net revenue increased 13% percent year-over-year, led by the following factors:
- Services revenue growth of 18% year-over-year; and net financing revenue growth of 9% year-over-year attributable to a 14% increase in average net earning assets
- Partly offsetting these increases was lower syndication revenue
- Gain on Sale (GOS) was largely unchanged year-over-year
- Focus on growing capital light revenue is underpinning adjusted ROE expansion (up to 16.0% in 2024)
- Capital light revenue represented 59% of total net revenue in 2024, up from 57% in 2023

Net revenue and adjusted operating margin



Net revenue per unit (RPU)

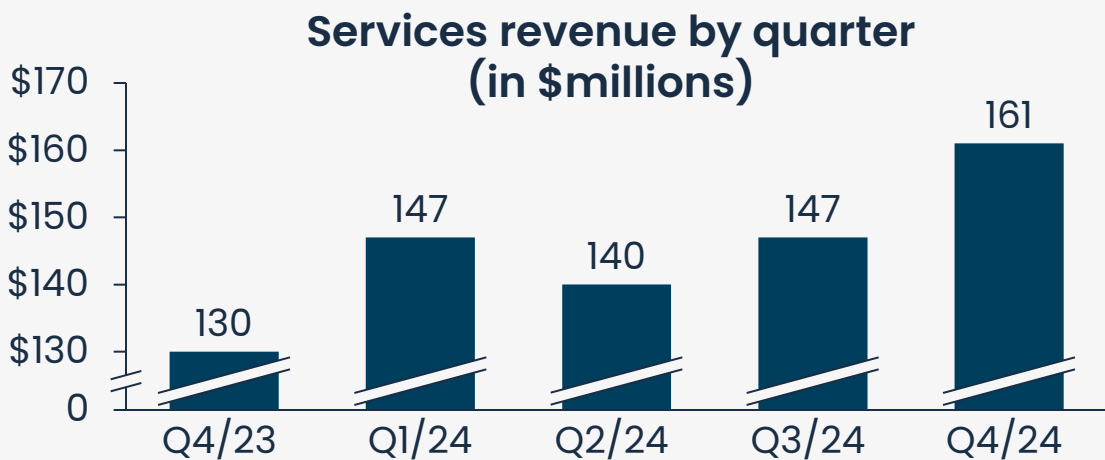


Double-digit services revenue growth

Driven largely by:

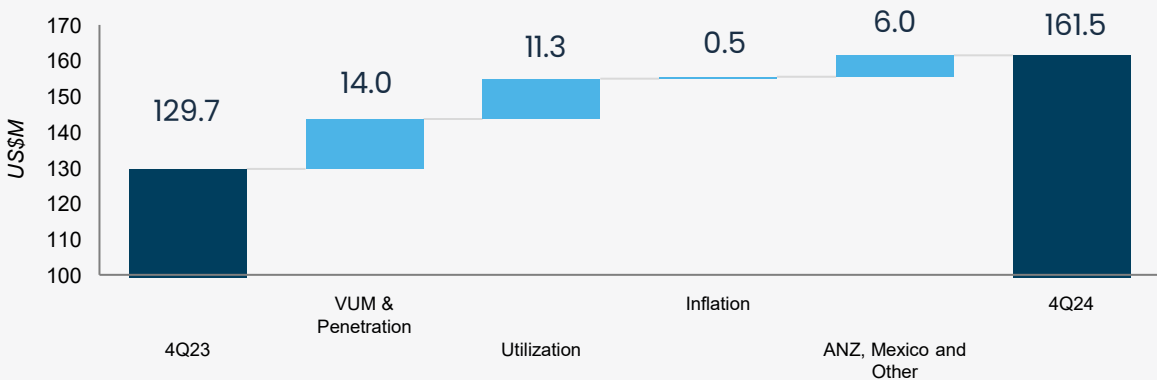
- Higher penetration rates among existing clients
- Higher utilization from new and existing clients
- Increased in-network volumes

Progress on opportunities to expand services into new client segments in 2025, including insurance and the small- to medium-sized fleet market. New insurance solution announced in the U.S. and Canada in Jan 2025¹

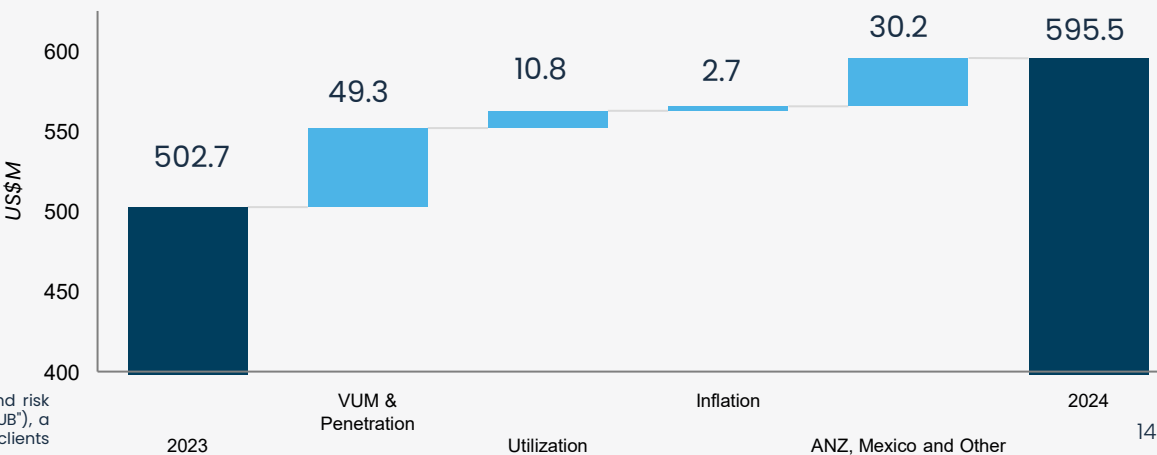


1. Subsequent to year-end, on January 30, 2025, we announced Element Risk Solutions - a fully integrated insurance and risk management offering. This new service, which we launched in a strategic partnership with Hub International Limited ("HUB"), a leading global insurance brokerage and financial services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

Q4 2023 to Q4 2024 services revenue

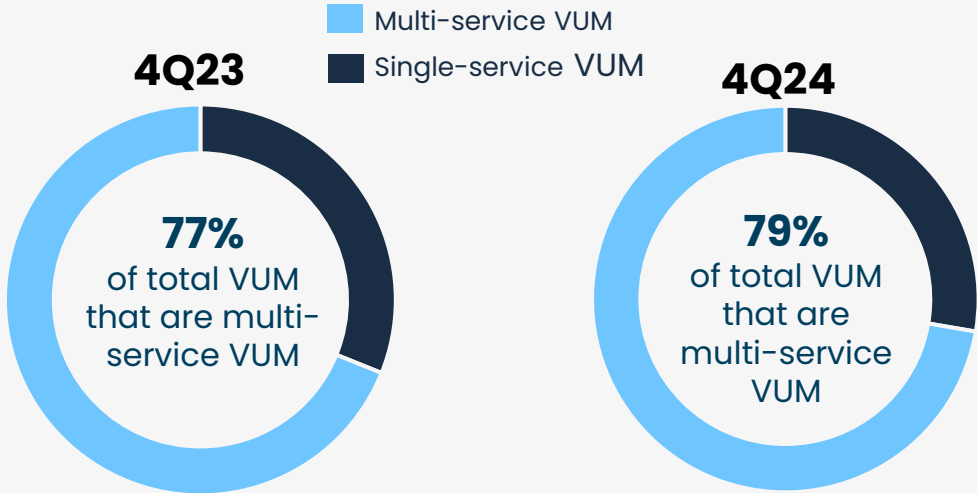


2023 to 2024 services revenue

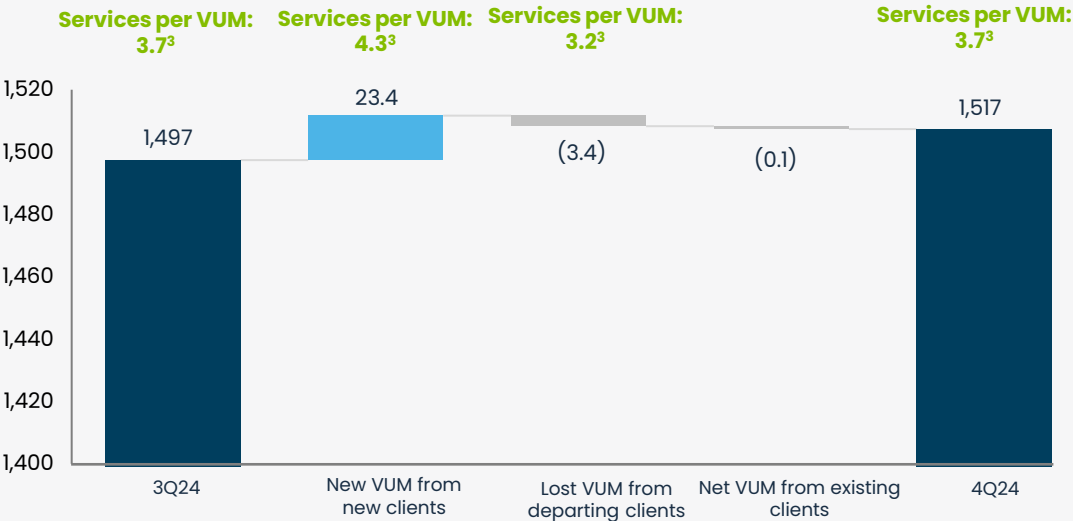
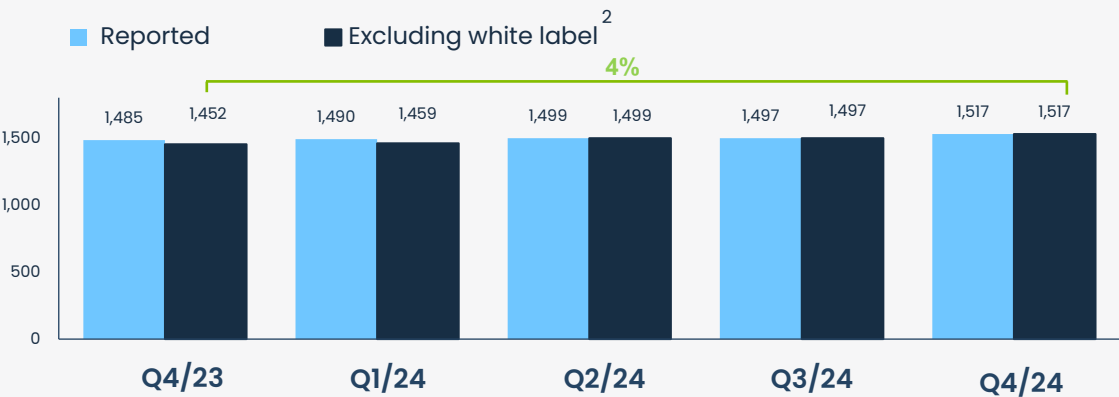


Growing core VUM and service attachment rates

- Growing Core VUM; up 4% in 2024, resulting from the addition of new clients from both earning share and converting self-managed fleets; and
- Onboarding clients at a higher-than- average service attachment rate per VUM
- Combined, this translates into higher client revenue retention and revenue “stickiness”



End-of-period global VUM¹ (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.

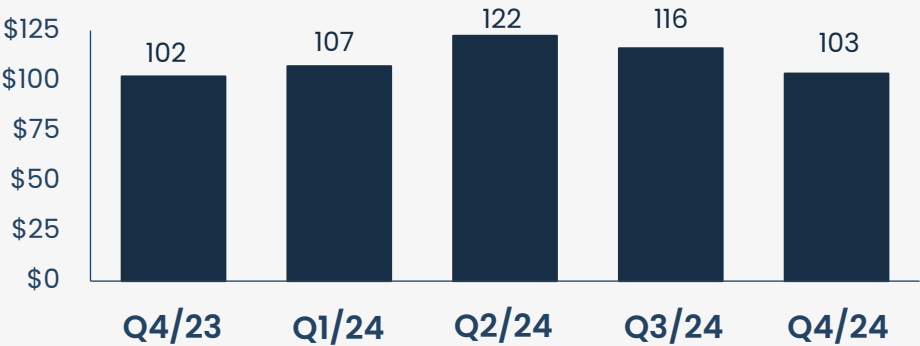
2. We released approximately 68,000 VUM in 3Q23, 33,000 VUM in 4Q23 and 31,400 VUM in 1Q24 in relation to our move to end the provision of certain white-label services to competitors.

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.

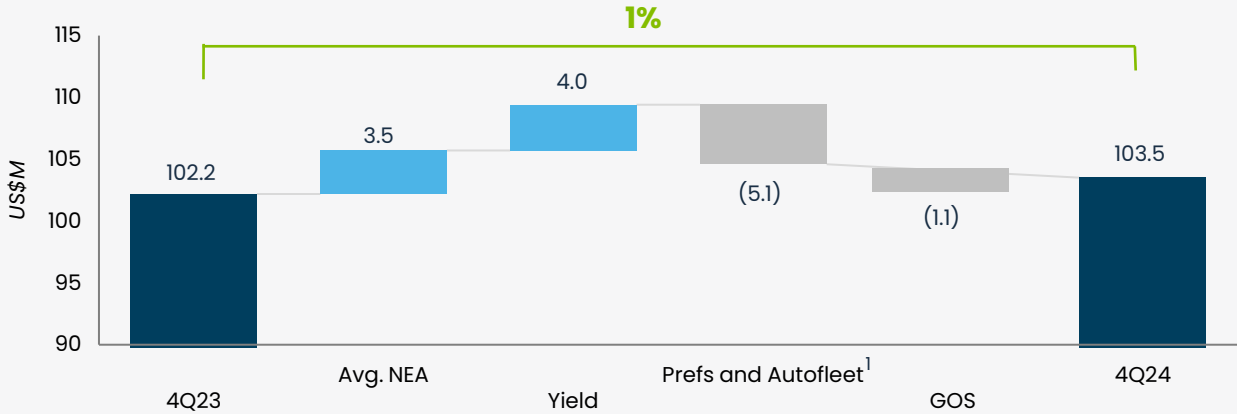
Net financing revenue (NFR)

- Year-over-year increase in NFR in 2024 was largely due to higher net earning assets associated with higher originations across all geographies
- This increase was partly offset by higher funding costs, including higher interest expense associated with financing the redemptions of our preferred shares and the impact of incremental debt due to the acquisition of Autofleet

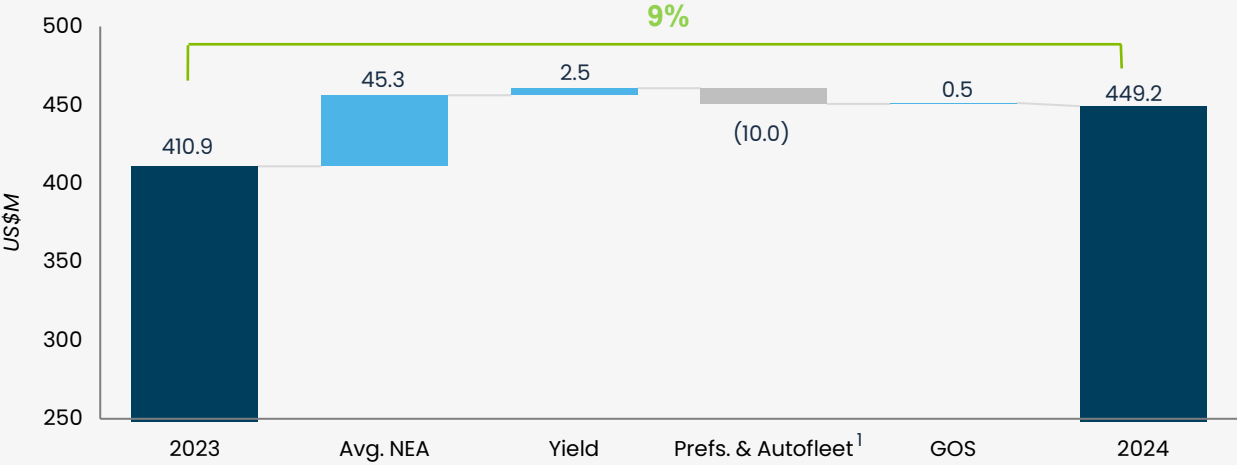
Quarterly Net Financing Revenue
(in millions)



Q4 2023 to Q4 2024 NFR



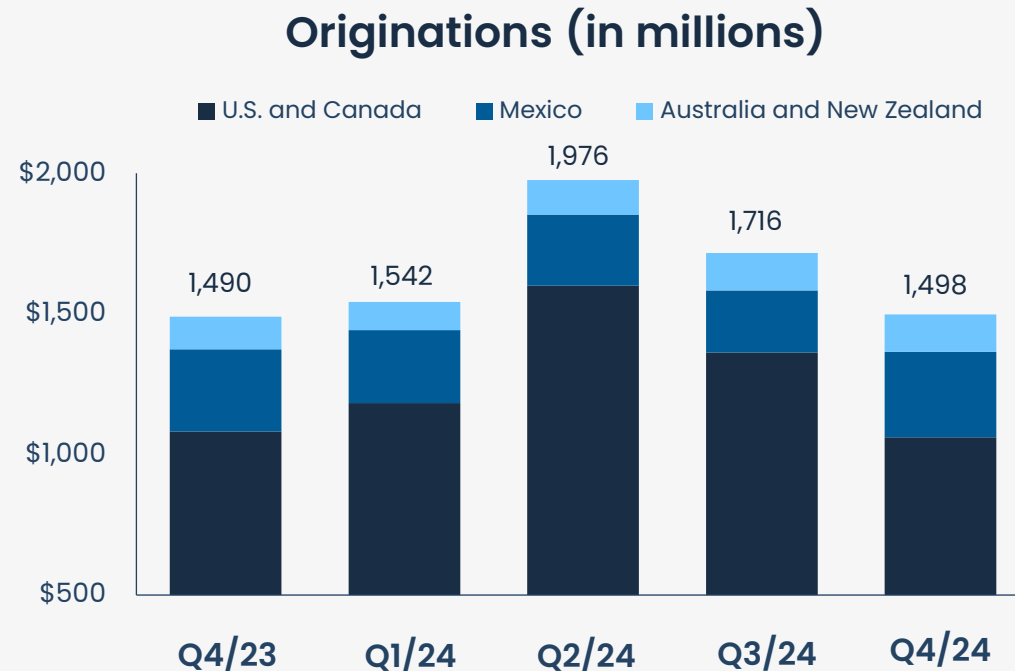
2023 to 2024 NFR



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.

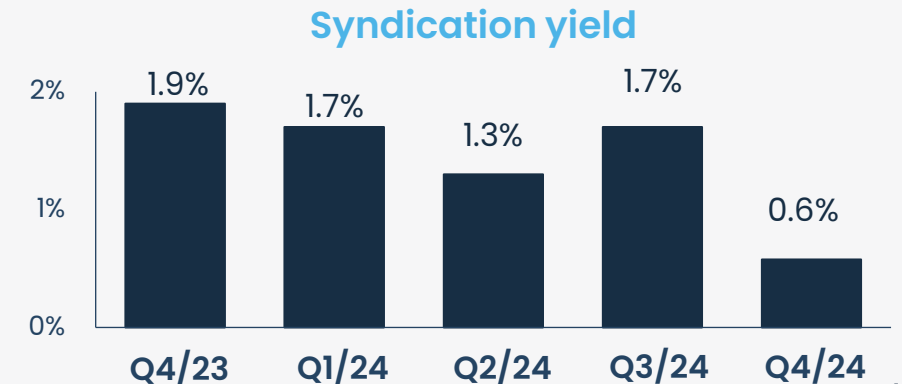
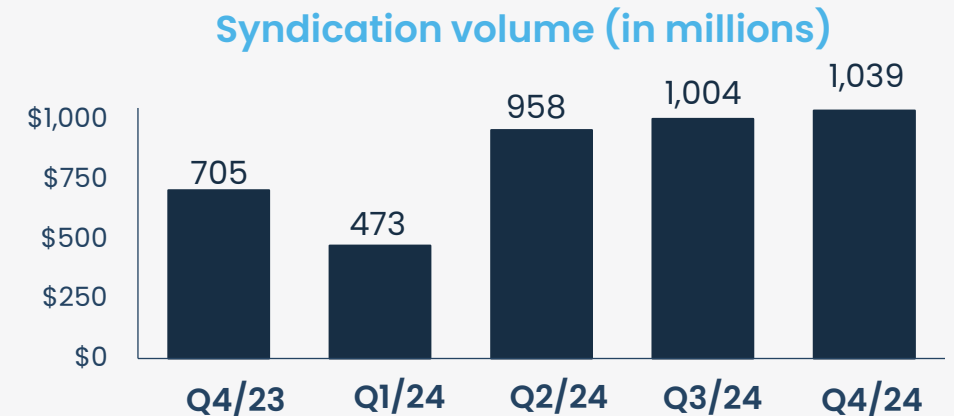
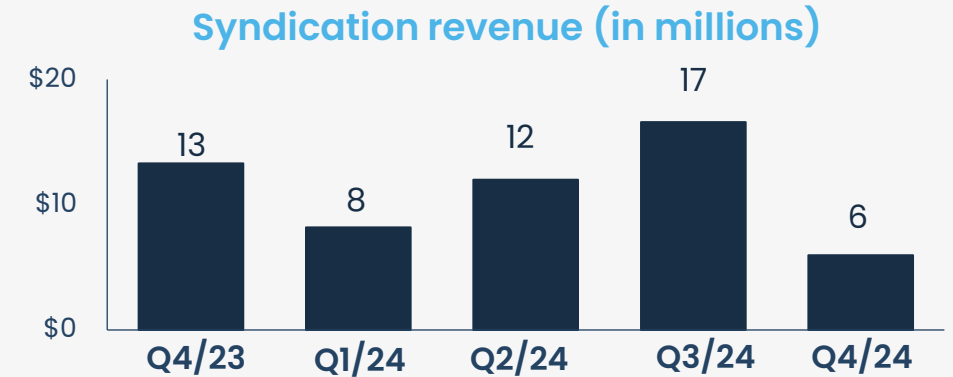
Originations

- 2024 originations grew 6% year-over-year, but were below 2024 guidance largely due to OEM ordering window delays during summer months and ongoing controlled allocations on key client models
- Client order volumes were strong in the last four months of 2024. This momentum, bolstered by enhancements made through our U.S. & Canada Leasing strategic initiative in Ireland, is expected to drive strong origination volumes in 1H/25
- OEM production has substantially recovered from earlier supply chain constraints
- Q2 typically represents the quarterly high watermark for originations in any given year, aligned with the opening of OEM ordering windows



Syndication revenue

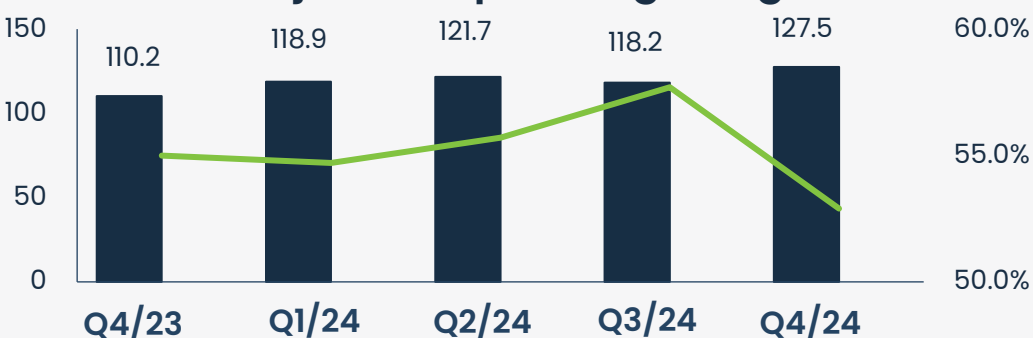
- Syndicated \$3.5 billion of assets in 2024; an increase of 40% from 2023
- Despite higher volumes, net revenue and yields in both 2024 and Q4 2024 were negatively impacted by:
 - The bulk syndication of Canadian lease portfolio in December 2024 in the amount of \$346 million (CAD\$474 million). This sale diversifies funding sources; however, due to the initial sale, overall yield was negatively impacted by one-time setup costs;
 - Syndication mix; and
 - The scheduled reduction in bonus depreciation in 2024 from 80% to 60%
- Overall, client demand remains strong. Gross yield, which is a measure of the value and demand for our core syndication product, was relatively unchanged from 2023
- Expecting higher syndication yields in 2025 as the costs associated with the bulk sale are not expected to recur in future transactions



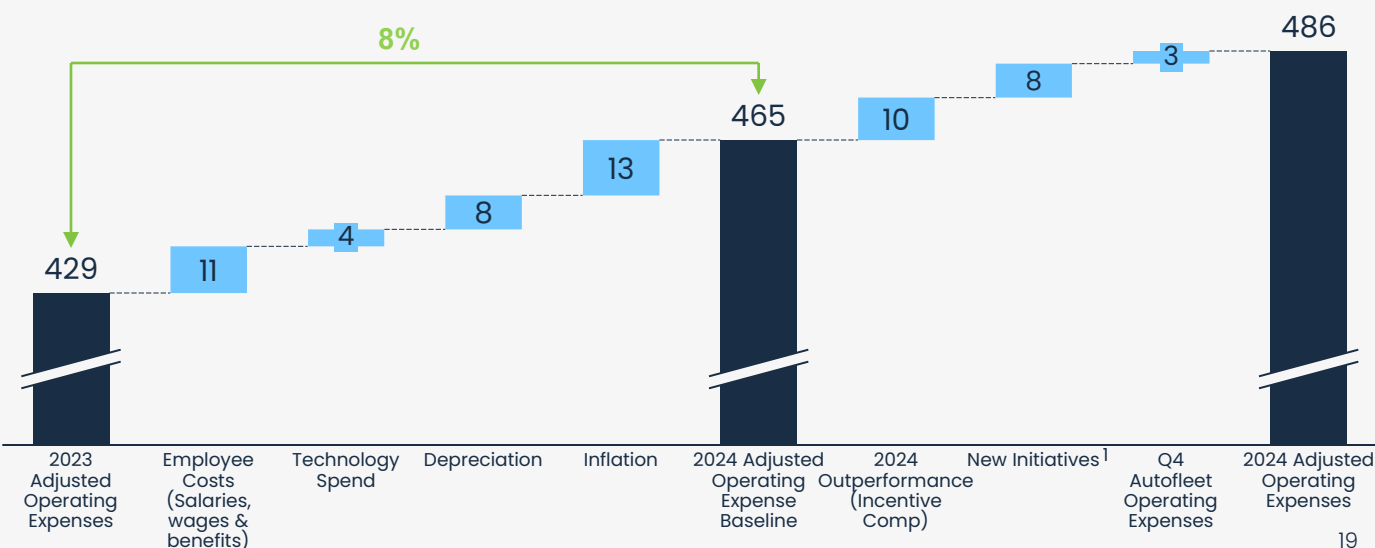
Adjusted operating expenses

- Strong performance in 2024 allowed for acceleration of strategic investments to position us for sustained leadership and future success
- Pursuing these investments contributed to higher expense growth; however, we delivered adjusted operating margins of 55.3% in 2024 within our guidance range of 55.0 % to 55.5%. Excluding Autofleet, adjusted operating margin was 55.6% in 2024
- Expense growth is expected to moderate considerably in 2025 as the benefits of the investments undertaken begin to materialize
- Higher operating expenses in Q4 2024 reflect planned strategic investments to support growth and inclusion of \$3 million in Autofleet operating expenses

Quarterly Adjusted Operating Expenses & Adjusted Operating Margin



Adjusted Operating Expenses 2023 to 2024

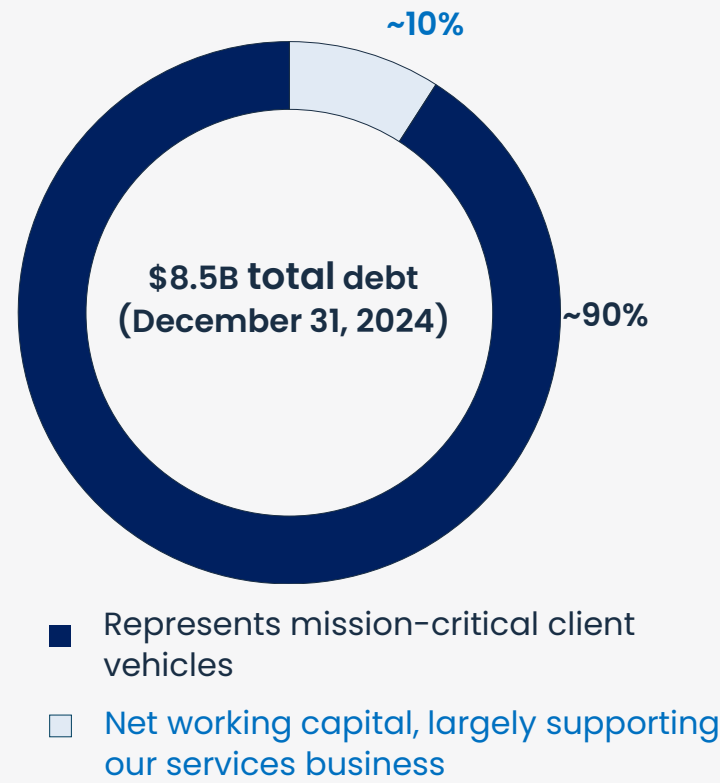


1. New Initiatives comprises expenses relating to Insurance, SME, Digital, Acceleration Office, Purpose, and Pricing

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. In Q4 2024, our banking covenants changed from tangible leverage ratio (TLR) to debt-to-capital, a more meaningful measure of the Company’s leverage.



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 (Q4/24)		
74.1%		
(Target range of 73-77%)		

Leverage Ratios – December 31, 2024

Debt-to-Capital	74.1%
Tangible leverage ratio	7.56:1
Tangible leverage ratio (excl. Autofleet and FX impacts)	6.43:1

Credit Ratings	
S&P	BBB
Fitch	BBB+
DBRS	A-



Reaffirming 2025 Guidance

2025 Guidance¹

- New client growth expected, including the continued conversion of self-managed fleets, and resilient client demand for our services & solutions to underpin full-year net revenue growth between 6.5% to 8.5% in 2025
- Expect to deliver high single to low double-digit growth in each of adjusted operating income, adjusted EPS and adjusted free cash flow per share in 2025
- 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\$, except per share)	Full-year 2025 guidance	Full-year 2025 guidance
Net revenue	6.5 – 8.5%	\$1.160 – \$1.185 billion
Adjusted Operating Income	High-single to low-double digit	\$645 – \$670 million
Adjusted operating margins		55.5 % – 56.5%
Adjusted EPS [basic]	High-single to low-double digit	\$1.20 – \$1.25
Adjusted free cash flow per share	High-single to low-double digit	\$1.48 – \$1.53
Originations	Low- to mid-single digit	\$6.9 – \$7.1 billion

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.



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.



Thank-you