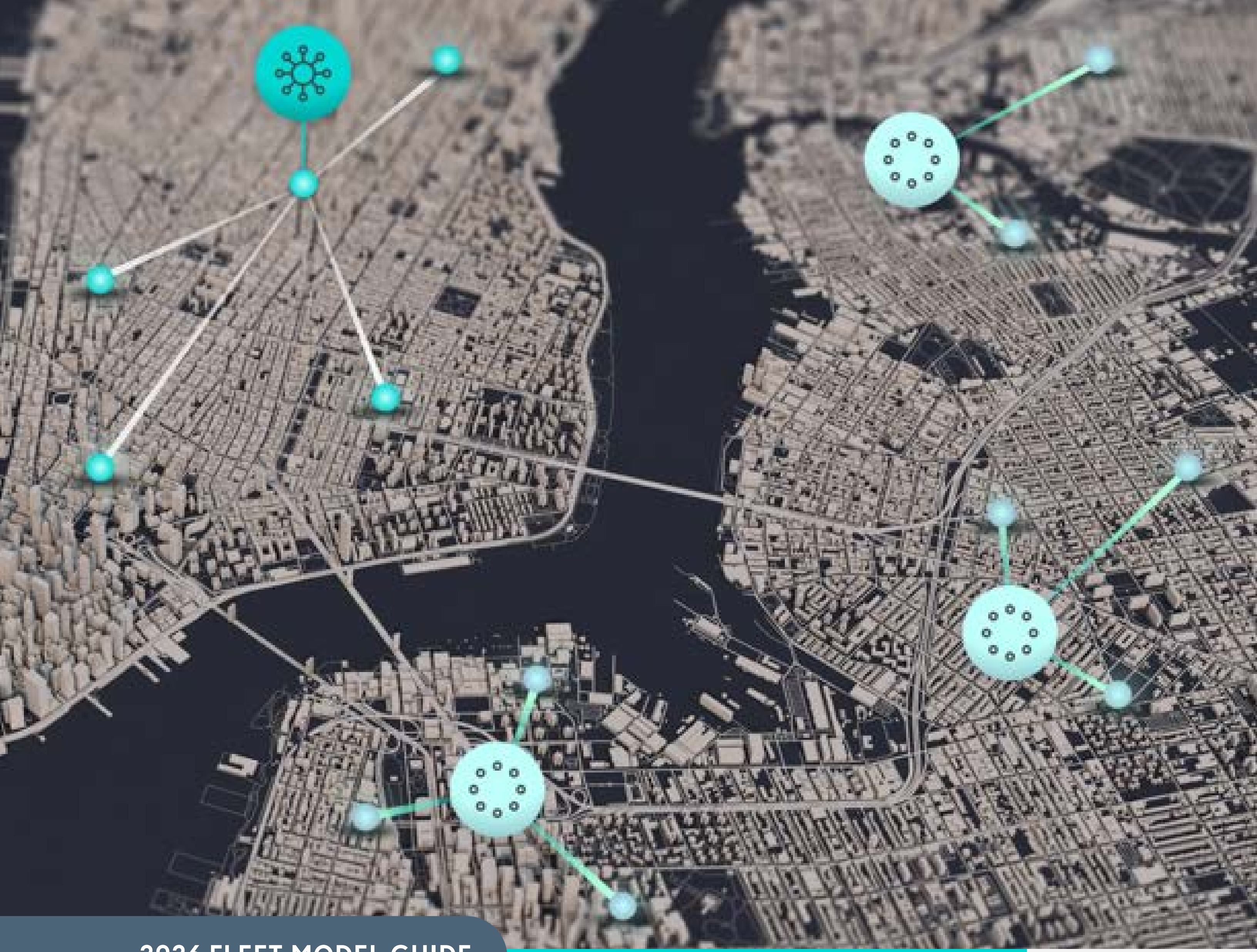


2026 FLEET MODEL GUIDE

Why your fleet structure is impacting cost, risk and performance

Contents

Executive summary

In growing multi-region fleets, your structure increasingly becomes a primary determining factor of financial performance.

The choice between a branch-managed model and a unified fleet model determines how well your organization controls cost, manages risk, and scales with confidence.

In decentralized environments, issues don't appear immediately, but they add up quickly:

- 5-7% vehicle acquisition cost variability across regions.
- Delayed reporting cycles that slow executive decisions by weeks, not days.
- Uneven compliance enforcement that can lead to greater risk.
- Operational strain around 300+ vehicles, where coordination becomes harder to manage.

A unified governance model addresses these structurally, not operationally. It introduces consistency, strengthens purchasing leverage, improves forecasting accuracy, and gives leadership real-time visibility into fleet performance.

That's what Element provides.

Key highlights

5-7%

Vehicle acquisition cost variability across regions

300+

Number of vehicles where coordination becomes harder to manage

The choice between a **branch-managed model** and a **unified fleet model** determines how well your organization controls cost, manages risk, and scales with confidence.

Why fleet operations buckle as your scale

As fleet size grows, structural gaps turn into noticeable pain points.

Growth doesn't just add vehicles, it multiplies complexity. Without a unified fleet structure, scaling introduces friction faster than it creates value.

The tipping point in practice

Early-stage fleets	Growing fleets
Regional inefficiencies are absorbed	Regional variation starts creating cost gaps
Administrative burden to coordinate between regions is tolerated	Coordination becomes fragmented and harder to manage
Reporting delays are noticeable but accepted	Delayed visibility slows decisions at a larger scale
Policy differences have not yet caused an impact	Inconsistent enforcement increases risk exposure
Vendor decisions made locally	Missed leverage and inconsistent pricing emerge
Reactive management costs go unnoticed	Problems compound before they're visible

A tale of two fleet models

When fleet structure is decentralized, consistency becomes optional. That variability introduces friction, inefficiency, and risk. Organizations, like Element, with unified governance reduce administrative burden and improve accountability, bringing more control to how the fleet operates.

Using the example of Element's unified fleet model, here's how the two models stack up:

Governance and control

BRANCH-LED / DECENTRALIZED MODEL	ELEMENT'S UNIFIED MODEL
Decisions made at the regional level	Standardized operating model across all regions
Policies interpreted and applied locally	Consistent policy enforcement organization-wide
Limited visibility beyond individual regions	Central oversight with clear executive accountability

Why this matters

When fleet structure isn't consistent, things start to slip, creating extra work and added risk. Element's unified model keeps everyone aligned as the fleet grows.

Cost and pricing

BRANCH-LED / DECENTRALIZED MODEL	ELEMENT'S UNIFIED MODEL
Pricing varies by region and vendor	National pricing strategy across the fleet
Localized vendor decisions	Consolidated purchasing power
Limited visibility into total fleet costs	Full transparency across regions and asset types

Why this matters

Cost differences across regions add up quickly. A centralized approach reduces variability and gives you a clearer view of total cost of ownership.

Visibility and reporting

BRANCH-LED / DECENTRALIZED MODEL	ELEMENT'S UNIFIED MODEL
Data spread across systems and regions	Unified, centralized data platform
Reports compiled manually	Real-time dashboards and automated reporting
Insight delivered after the fact	Forward-looking analytics and forecasting

Why this matters

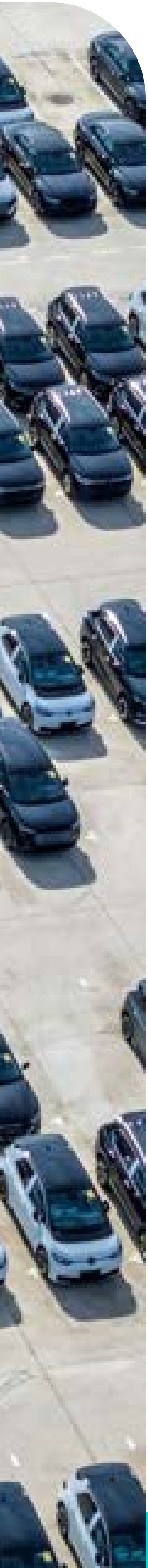
When insight comes late, inefficiencies build.
Real-time visibility makes it easier to act early and stay ahead of issues.

Scale and risk

BRANCH-LED / DECENTRALIZED MODEL	ELEMENT'S UNIFIED MODEL
Coordination becomes harder as the fleet grows	Processes designed to scale across regions
Inconsistent practices increase exposure	Standardized compliance and risk management
Growth introduces more variability	Growth is absorbed without losing control

Why this matters

As fleets expand, complexity increases fast.
A structured model keeps performance consistent, even as scale increases.



Assessing your fleet model

Is your fleet model built for the scale of your organization?

As fleets grow, structure either becomes the problem or the advantage. But most organizations don't evaluate structure until performance starts to break.

Here's a quick way to determine the state of your fleet structure:

Your diagnostic checklist

- Do pricing standards vary by region?
- Are reports consolidated or manually compiled?
- Is policy enforcement consistent across locations?
- Can leadership see real-time lifecycle performance?

If the answer isn't clear, the structure likely isn't either.

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.

To learn more, visit elementfleet.com