



**Q1 2026**

# **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, 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 revenue 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

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; expectations regarding industry and market conditions; 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; expected 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.

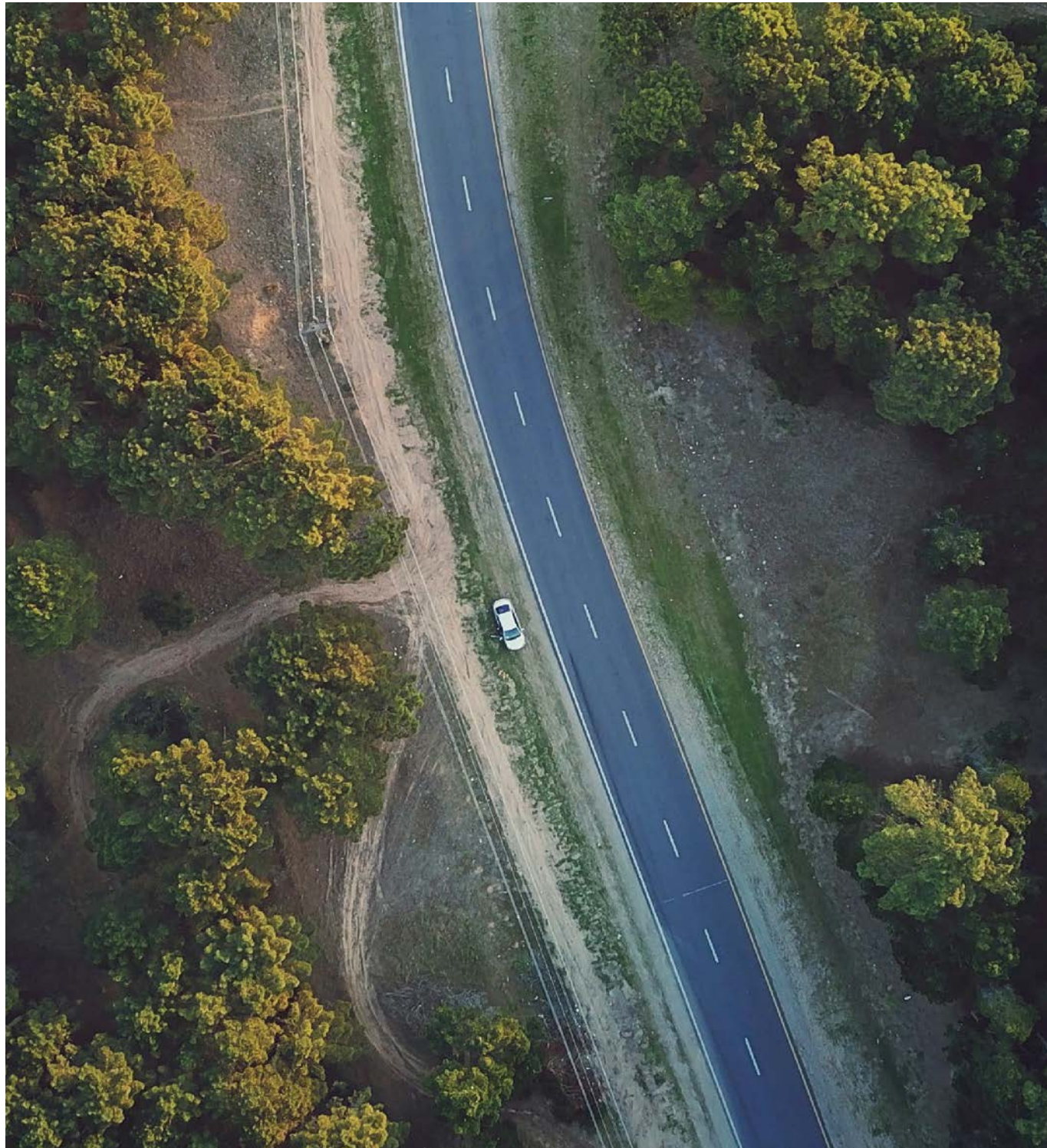
The forward-looking events and circumstances discussed in this presentation may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Element, including risks regarding the fleet management and finance industries, economic factors, regulatory 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, risks related to the integration of acquisitions, 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. 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, 2025, and Element’s quarterly MD&A for the three-month period ended March 31, 2026, and under the heading “Risk Factors” in Element’s Annual Information Form for the year ended December 31, 2025 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](http://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](http://www.sedarplus.ca)).

# Strong start to 2026 with continued execution against strategy



- Delivered record quarterly net revenue of \$324M, supported by our diversified revenue streams and solid execution across the business
- Earnings and free cash flow generation remained robust, with adjusted EPS and FCF per share of \$0.35 and \$0.45, up 24% and 25% year-over-year, respectively
- Adjusted ROE increased to 20.3% (up 360 bps year-over-year), reflecting strong earnings growth and capital-light model execution
- Targeted investment in our business supported margin expansion, with operating leverage of +3.9% resulting in adjusted operating margin increasing by 150 bps to 56.2%
- Vehicles under management reached 1.565M, growing 3% year-over-year, driven by new client wins and ongoing share-of-wallet expansion
- Returned \$94M to shareholders through \$37M of common dividends and \$57M in common share repurchases in Q1 2026, representing 52% of adjusted free cash flow

# Q1 2026 Results



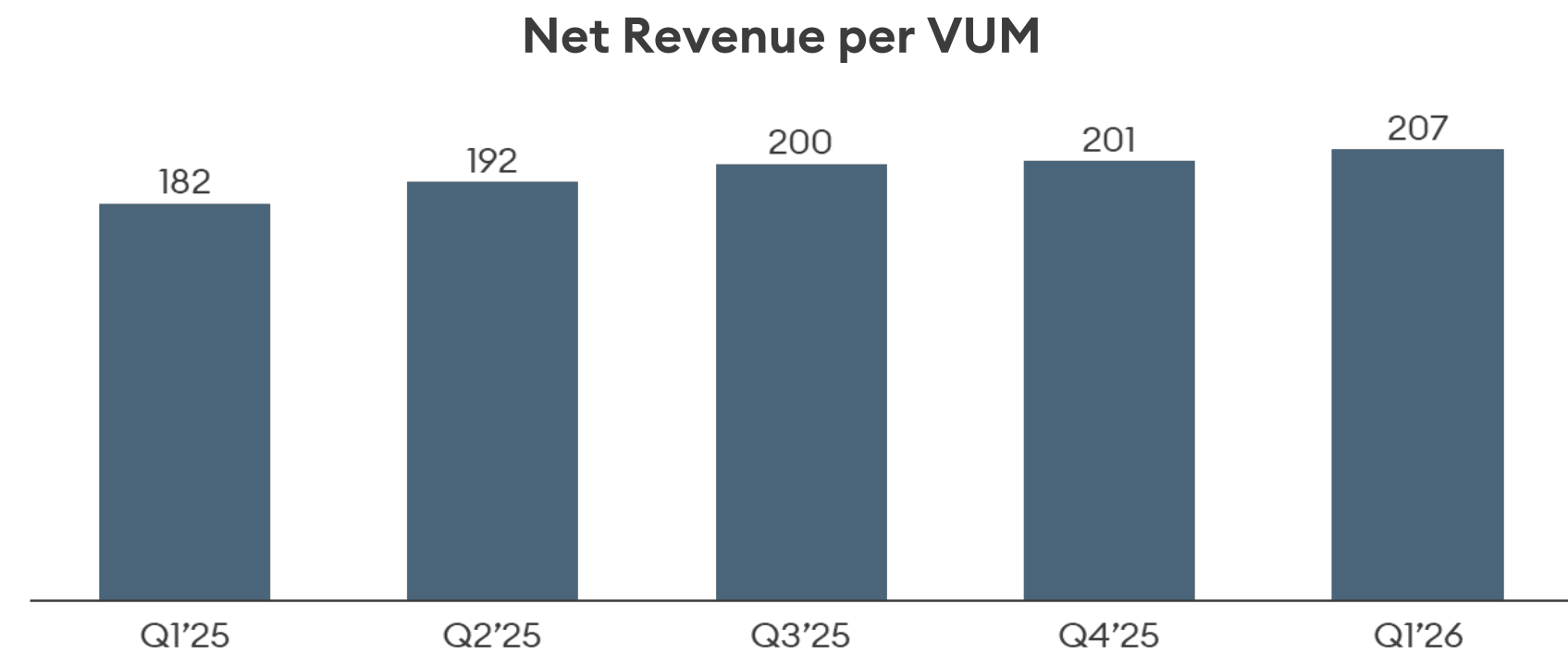
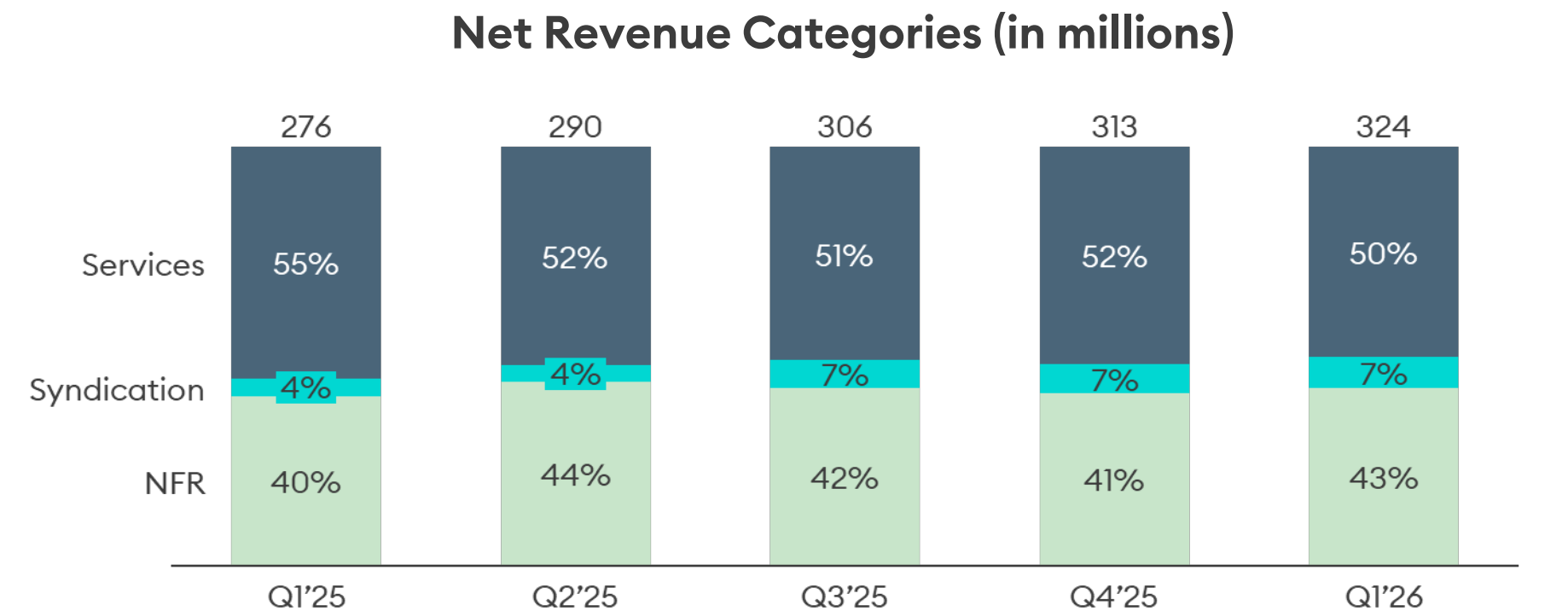
# Q1 2026 Key Financial Metrics

(US\$millions, except per share metrics)	Adjusted <sup>1</sup>			Reported		
	Q1 2026	QoQ	YoY	Q1 2026	QoQ	YoY
Net Financing Revenue	\$138	6%	23%	\$138	6%	23%
Services Revenue	\$162	–%	6%	\$162	–%	6%
Syndication Revenue	\$24	13%	105%	\$24	13%	105%
Net Revenue	\$324	3%	17%	\$324	3%	17%
Operating Expenses	\$142	3%	13%	\$157	(27%)	17%
Operating Income	\$182	4%	21%	\$166	71%	18%
Operating Margin	56.2%	20 bps	150 bps	51.3%	n/m	30 bps
Originations	\$1,453	8%	(4%)	\$1,453	8%	(4%)
EPS [Diluted]	\$0.35	4%	24%	\$0.30	n/m	20%
Free Cash Flow per Share [Diluted]	\$0.45	15%	25%			
Return on Equity	20.3%	170 bps	360 bps	17.5%	n/m	230 bps

# Financial Performance

# Key Drivers of Net Revenue Growth

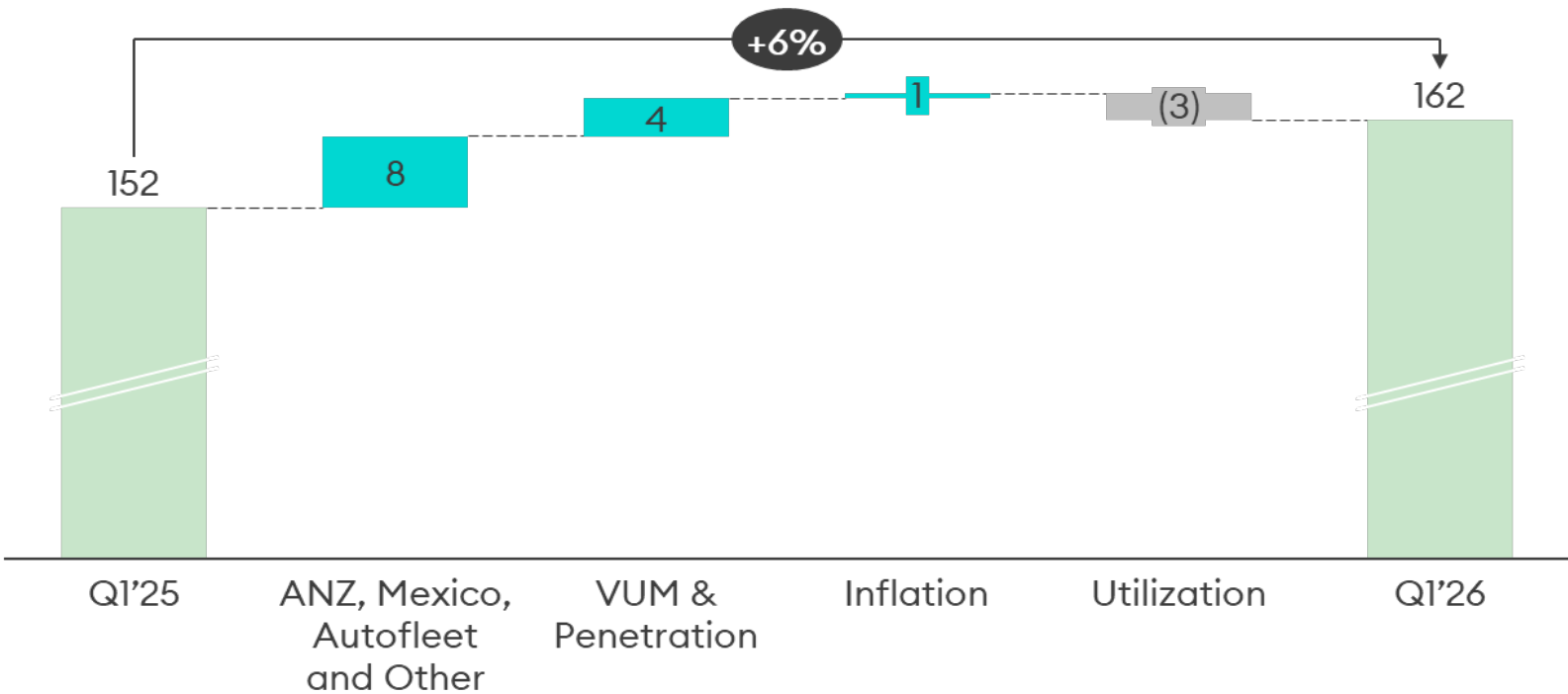
- Net revenue in Q1 2026 reached a record \$324 million, increasing 17% year-over-year, supported by solid growth across all revenue categories
- On a quarter-over-quarter basis, net revenue was up by 3%, due to strong syndication revenue and NFR
- We continued to emphasize our capital-light strategy, with 57% of net revenue generated from these components in Q1 2026
- Adjusted ROE increased to 20.3%, up from 16.7% a year ago, supported by strong revenue growth and optimization of the balance sheet



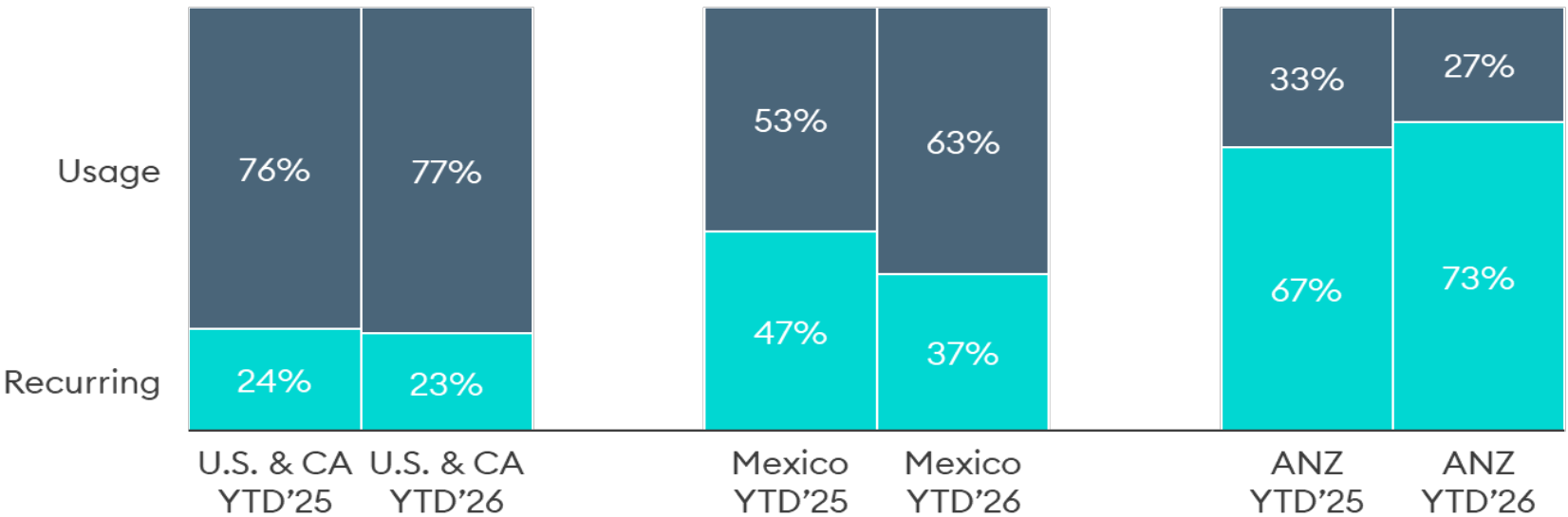
# Continued Emphasis on Driving Services Revenue

- Services revenue in Q1 2026 was \$162 million, increasing by \$10M or 6% year-over-year
- Growth was supported by the increase in VUM
- On a quarter-over-quarter basis, services revenue declined by \$1 million
- Through strategic partnerships and the continued deployment of intelligent mobility solutions, we are expanding client engagement and further solidifying Element's global leadership in the mobility landscape

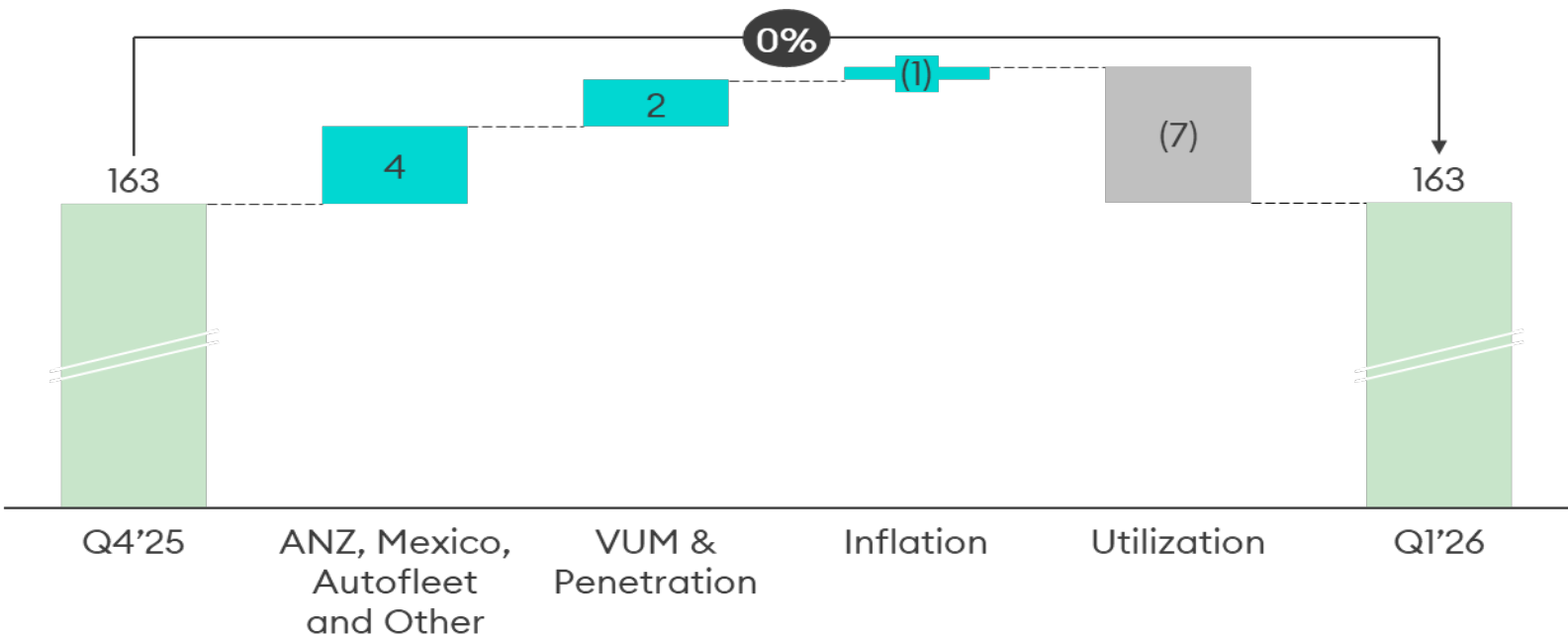
Q1 2025 to Q1 2026 Services Revenue (in millions)



Services Revenue Mix



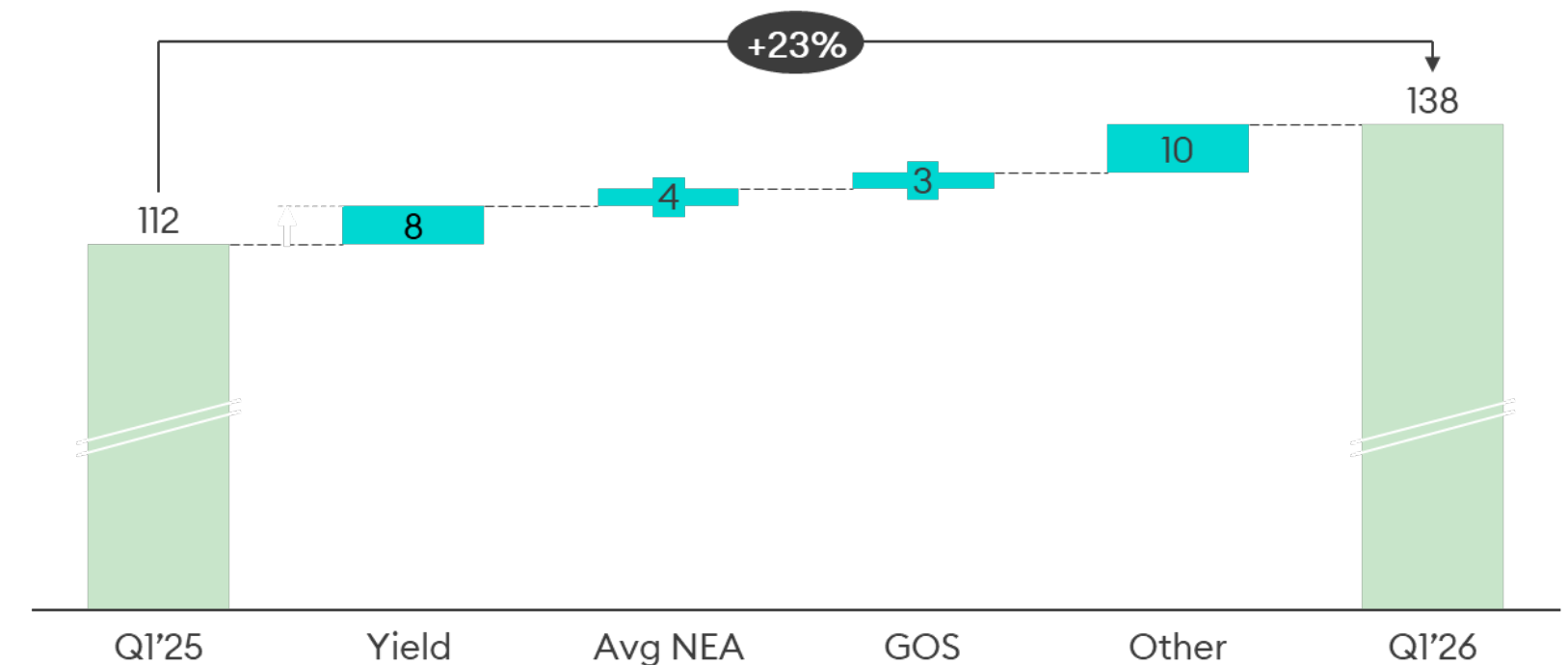
Q4 2025 to Q1 2026 Services Revenue (in millions)



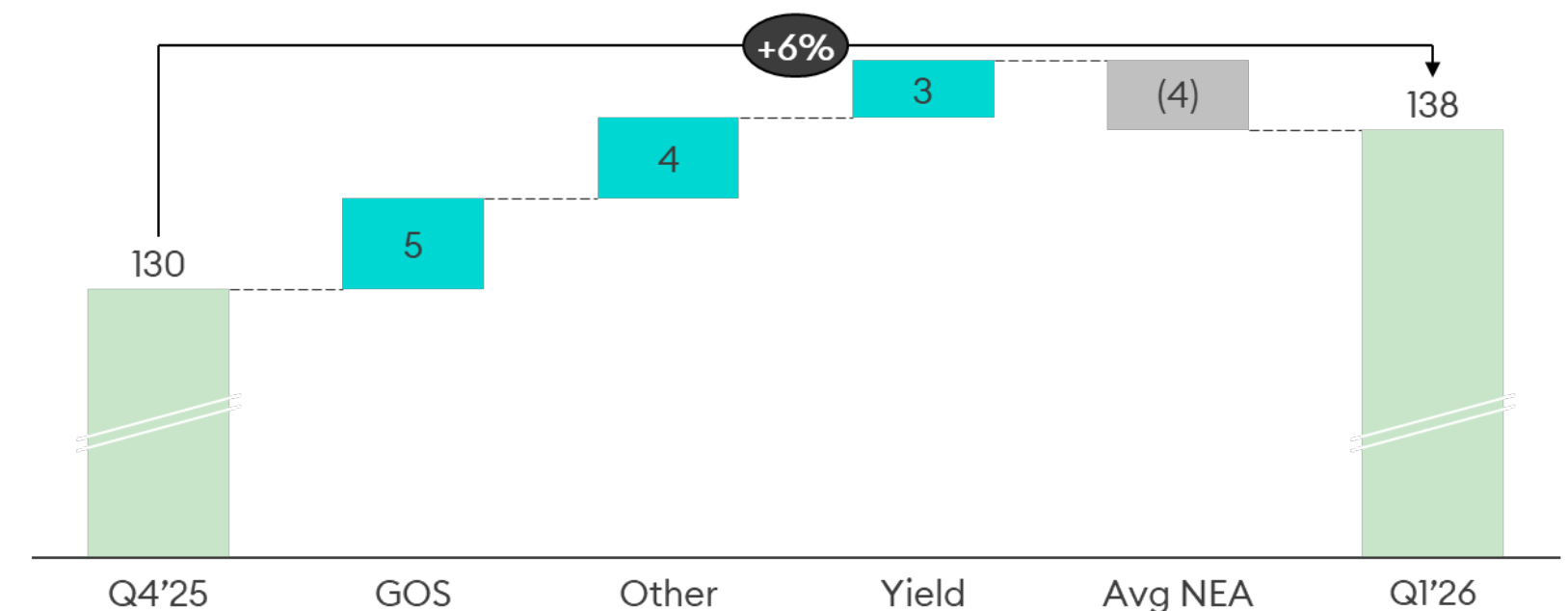
# Net Financing Revenue

- In Q1 2026, NFR increased by 23% year-over-year to \$138 million, primarily due to:
  - Our optimized leasing strategy;
  - Growth in average net earnings assets; and
  - Higher gains on sale (“GOS”)
- Partly offset by higher funding costs and provisions for credit losses, related to a client-specific item
- NFR was up by 6% quarter-over-quarter largely reflecting the continued benefits of our leasing strategy and higher GOS
- Core NFR yield (which excludes GOS) reached 4.98% in Q1 2026, reflecting an expansion of 40 basis points year-over-year and 23 basis points quarter-over-quarter

Q1 2025 to Q1 2026 NFR (in millions)



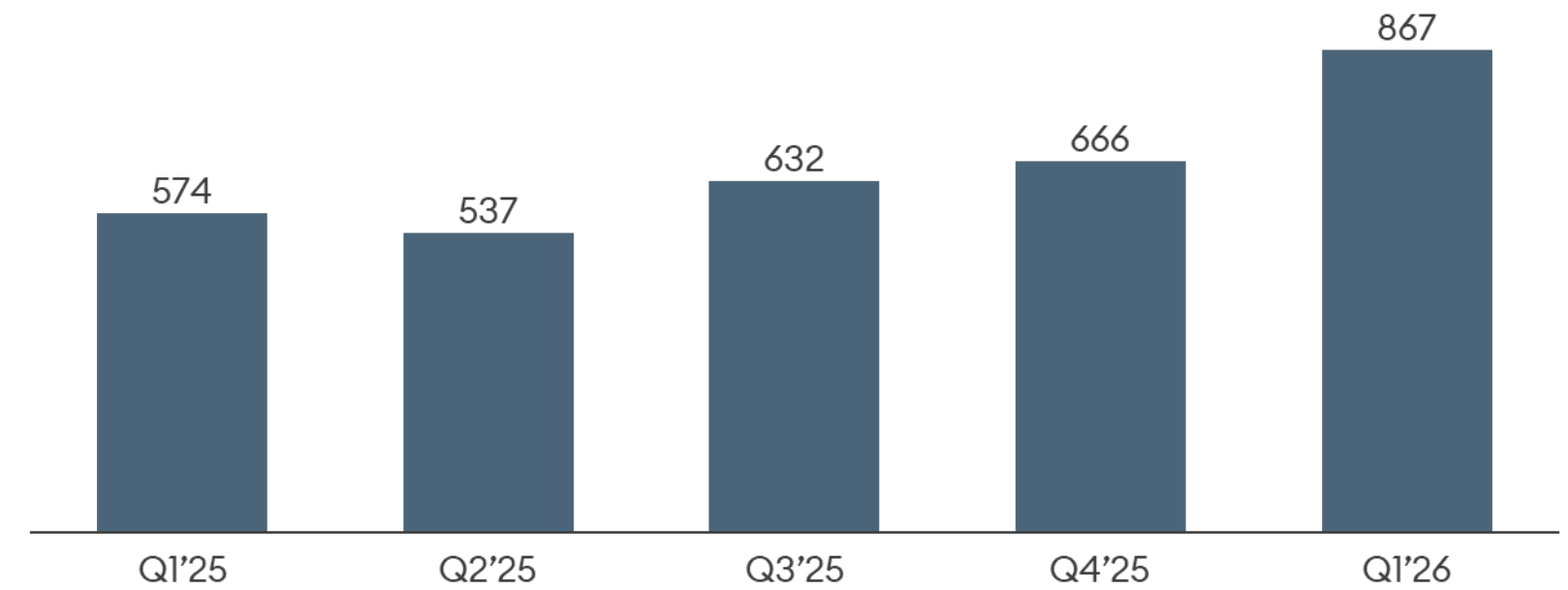
Q4 2025 to Q1 2026 NFR (in millions)



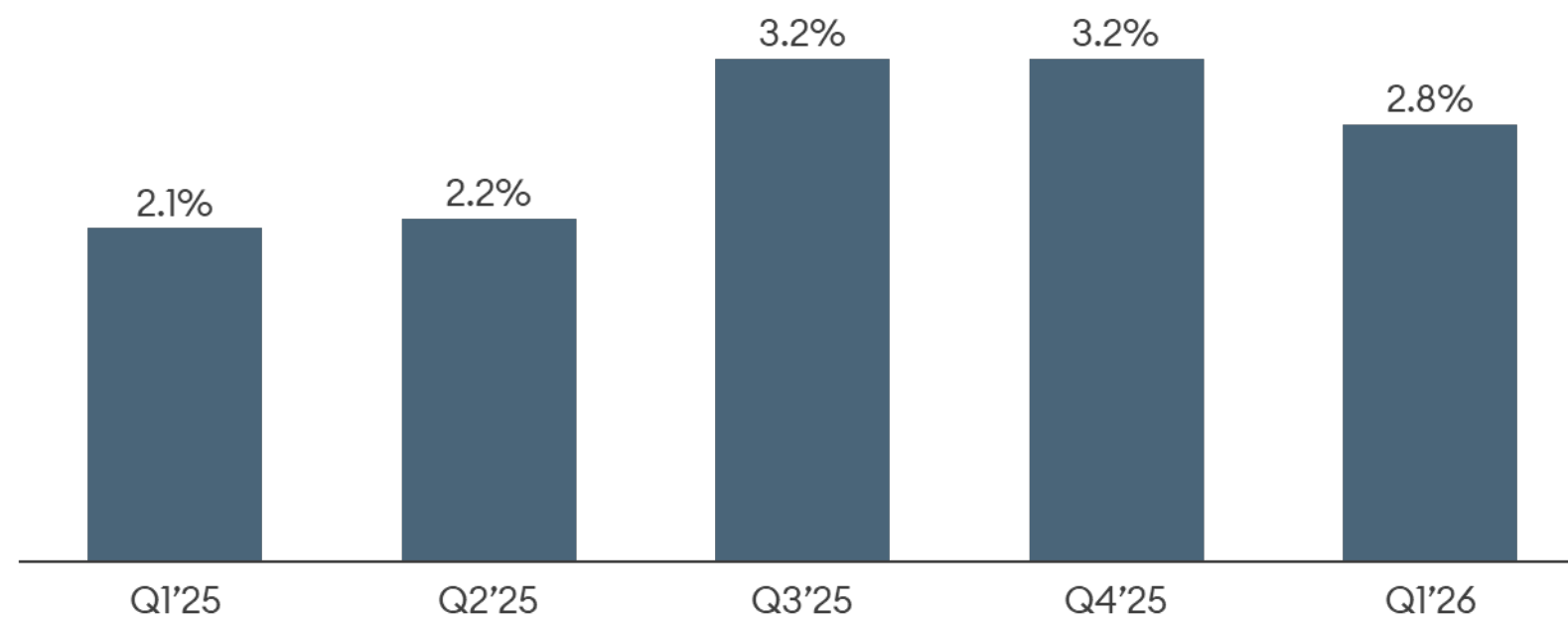
# Syndication Revenue

- Syndication revenue of \$24 million in Q1 2026 was up by \$12 million year-over-year
  - Higher syndication volume;
  - Favourable client mix; and
  - Reinstatement of 100% bonus depreciation in July 2025
- Revenue increased by \$3 million quarter-over-quarter, primarily driven by higher volumes and sustained investor demand
- Syndication yield remained very strong at 2.8%
- Continued investor demand underpins our capital-light strategy and enhances off-balance sheet funding flexibility

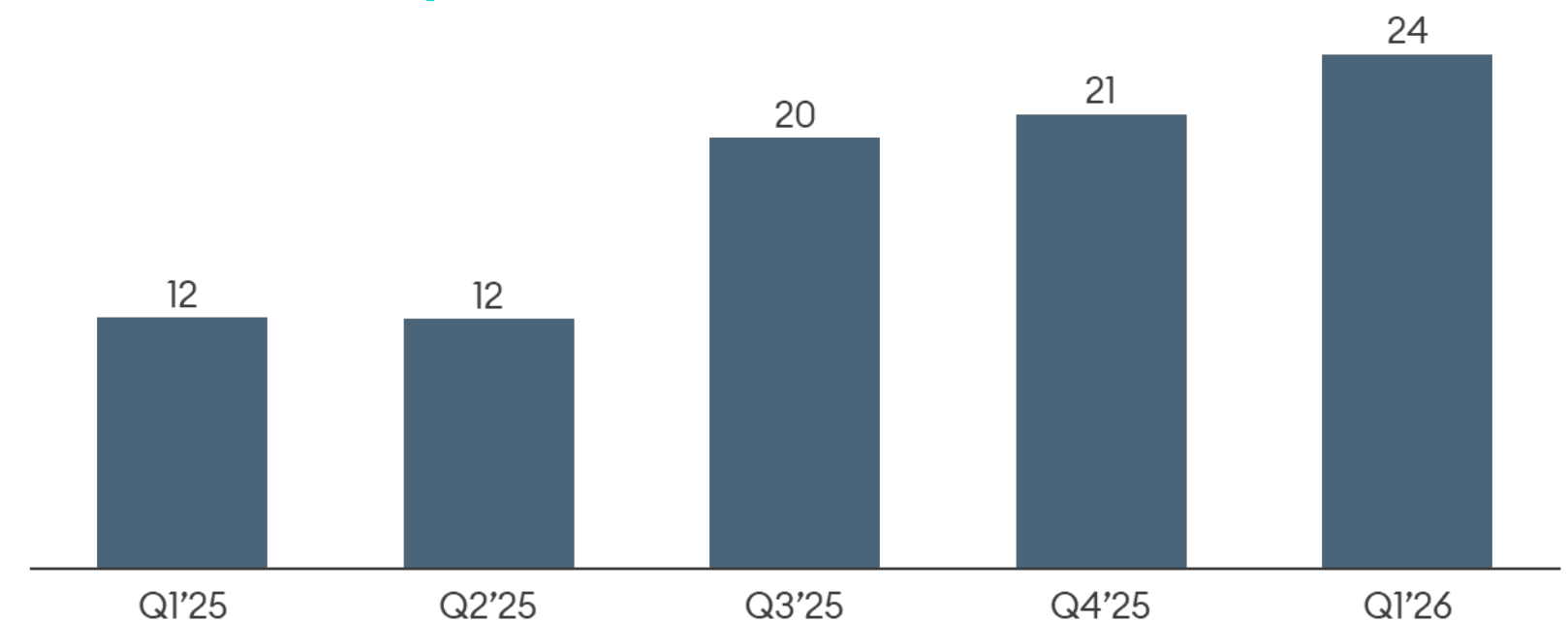
Syndication Volume (in millions)



Syndication Yield



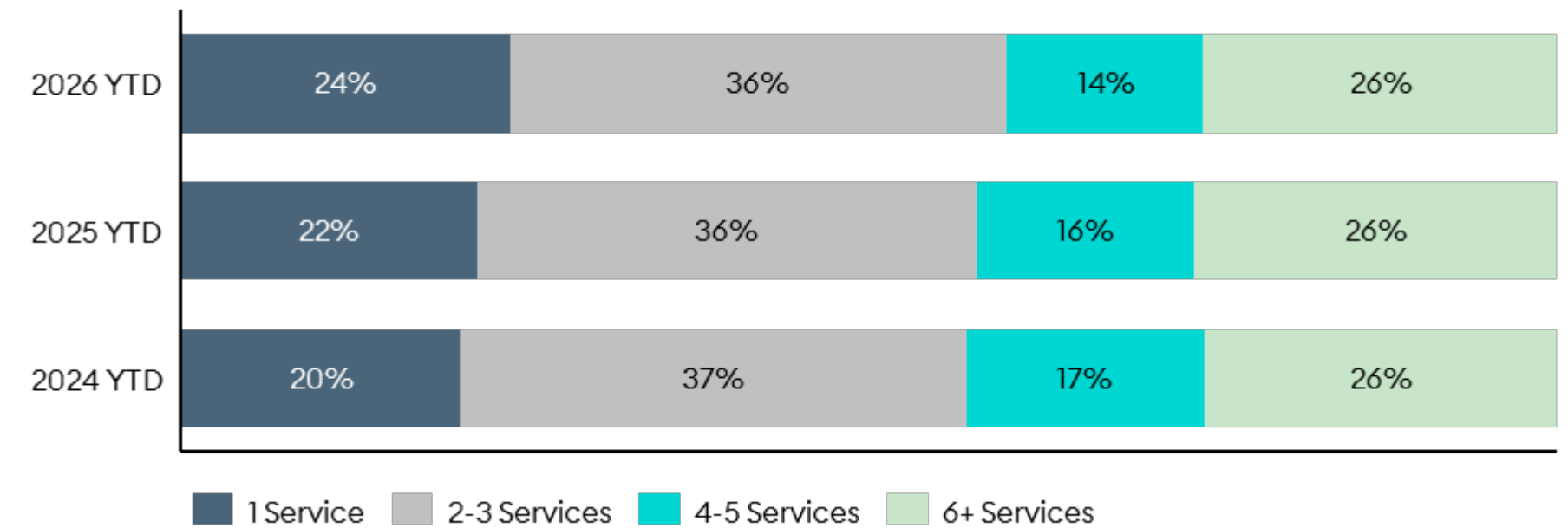
Syndication Revenue (in millions)



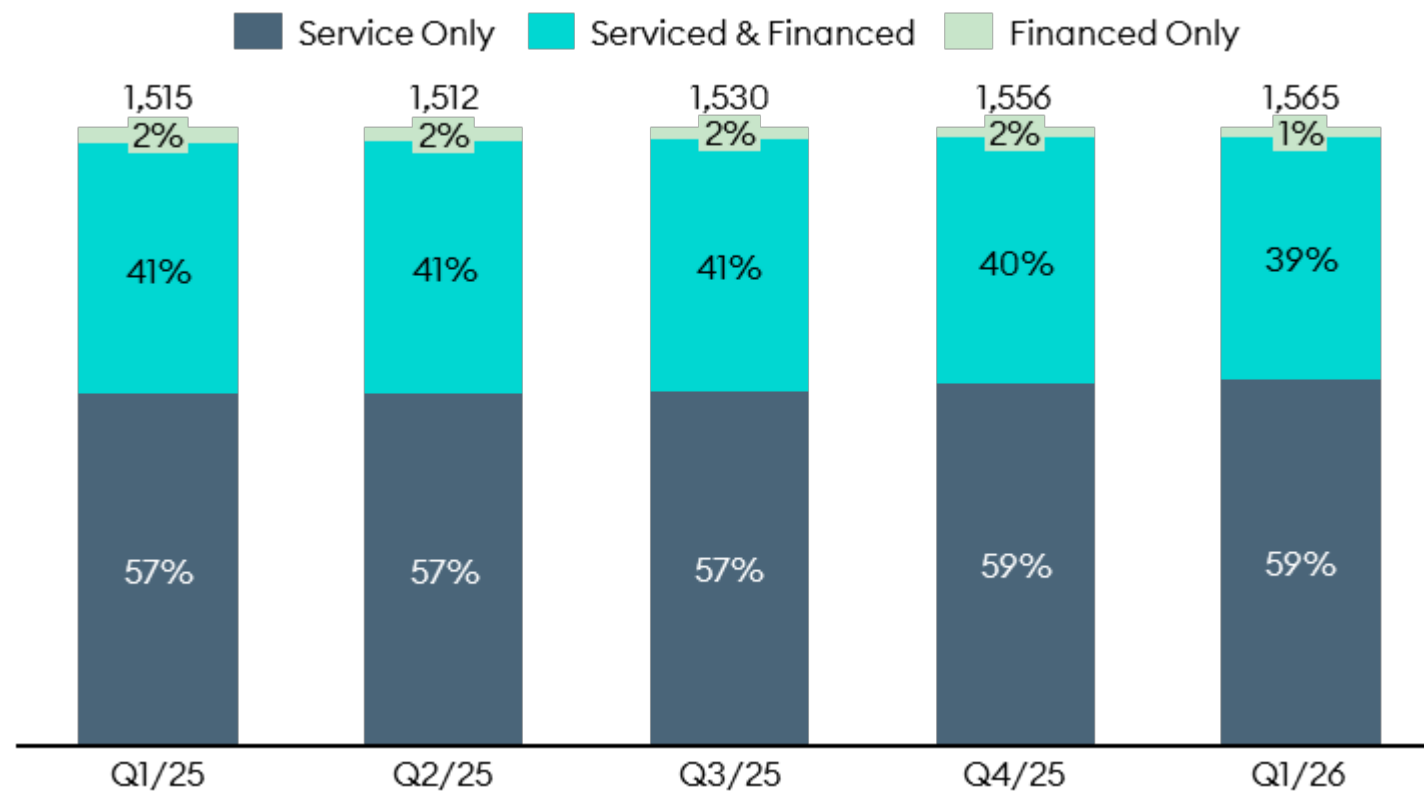
# Growing Core VUM and Service Attachment Rates

- VUM increased 3% year-over-year, driven by new client wins and expansion within the existing portfolio, with client revenue retention remaining strong at 98%
- Changes in VUM mix during the quarter modestly impacted multi-service attachment
- In addition to the VUM reported below, the Element platform also includes assets supporting capabilities such as ride-hailing and route-optimization, further expanding our digital ecosystem

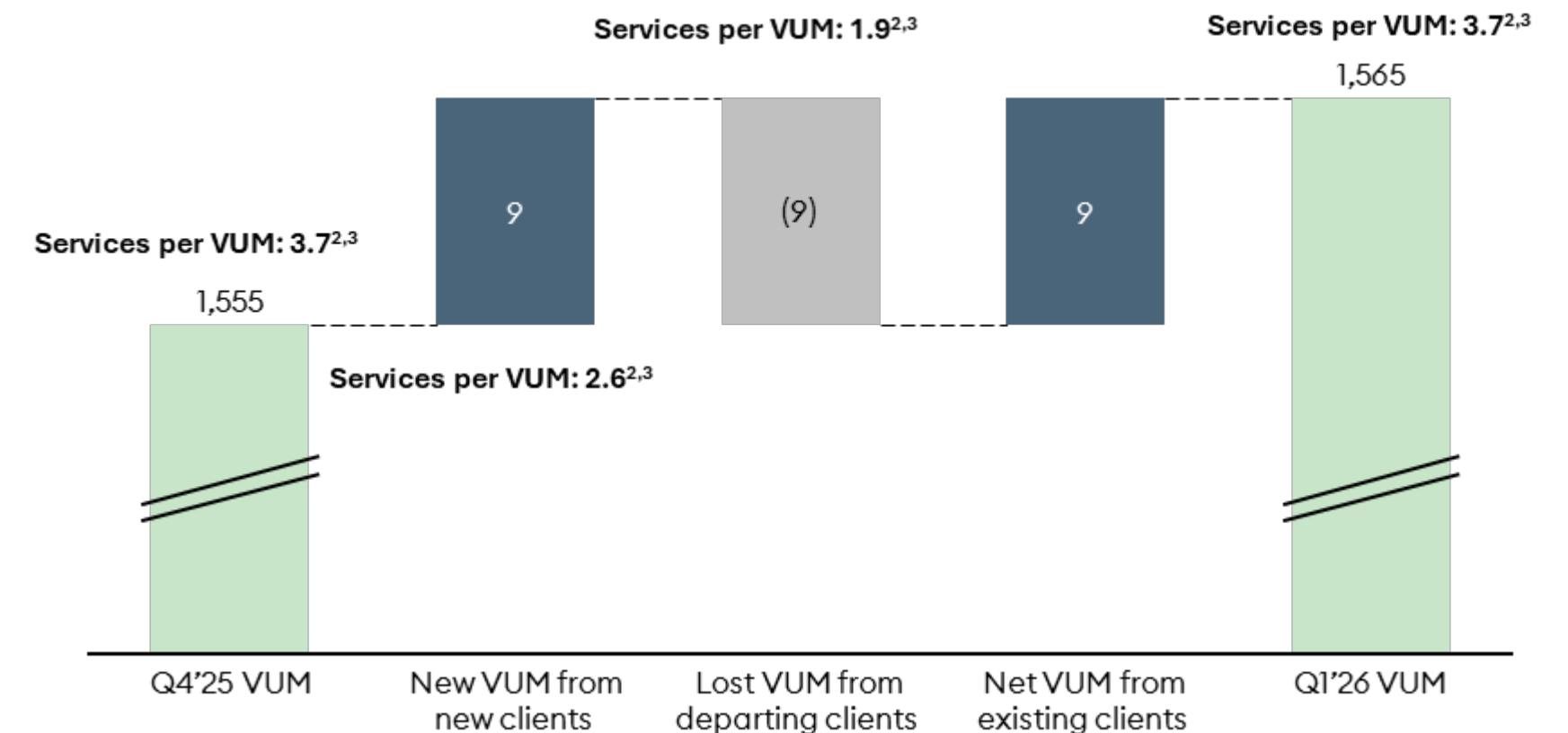
Service Attachment Rates<sup>2</sup>



End-of-period global VUM<sup>1,4</sup> (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, acquired VUM from Autofleet are included in the following periods: 10 thousand (Q1/25), 10 thousand (Q2/25), 10 thousand (Q3/25), 11 thousand (Q4/25), and 8 thousand (Q1/26). As of December 31, 2025, acquired VUM from Car IQ include 8 thousand (Q4/25), and 5 thousand (Q1/26).

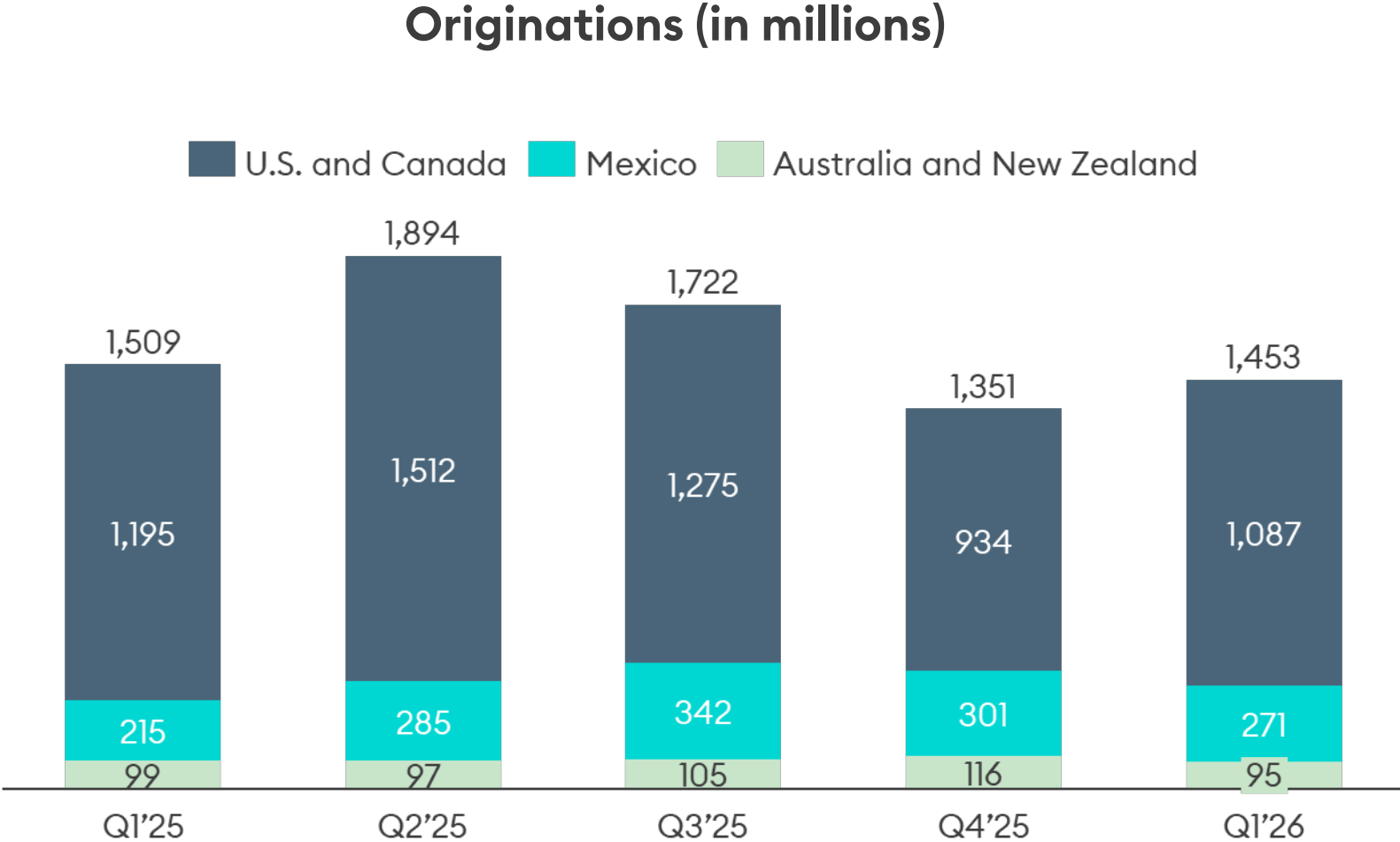
2. Represents the number of services per VUM or attachment rates in U.S. and Canada only, where the vast majority of our vehicles are located.

3. 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 and Car IQ services are also excluded from the calculation.

4. Excludes assets powering capabilities such as route optimization and ride-hailing. These assets are monetized on a usage basis (i.e., per ride rather than per vehicle) and are not managed under traditional fleet arrangements. While they generate services revenue through Element's digital and mobility solutions, they are excluded from reported VUM to maintain consistency with Element's core VUM definition.

# Originations

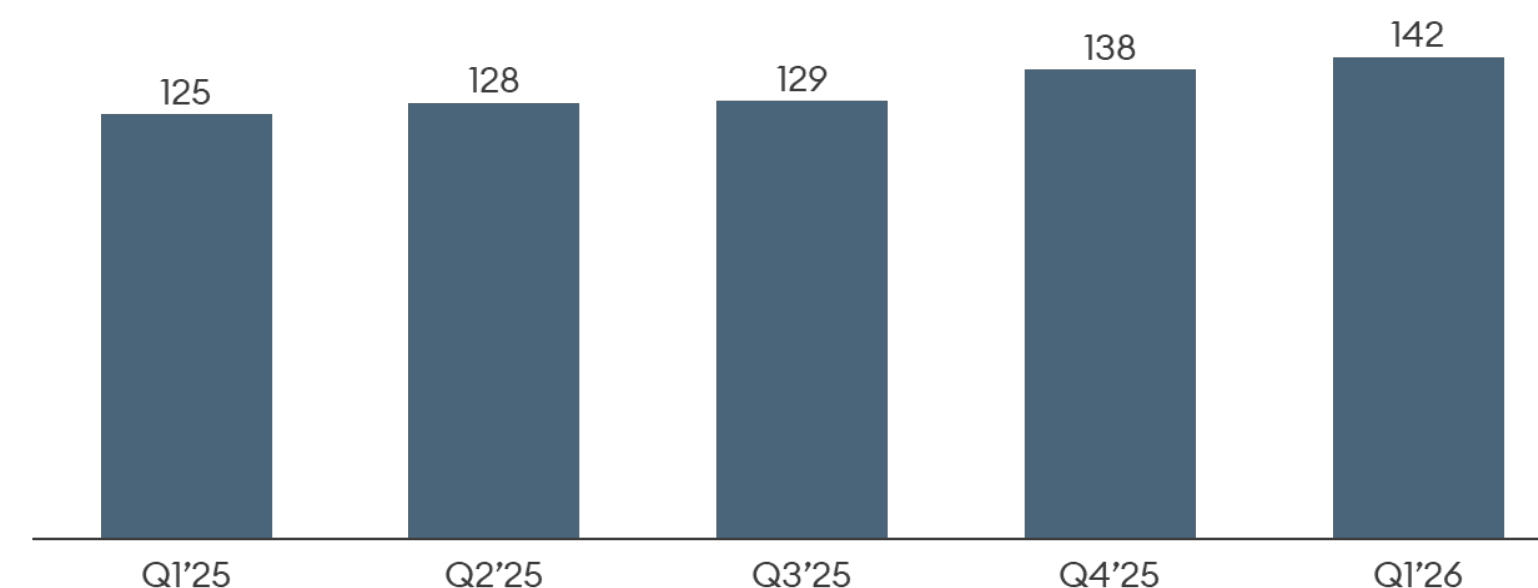
- Originations totaled \$1.5 billion in Q1 2026, a decrease of 4% from the prior year, largely driven by the reduction in volume from an originate-to-syndicate client
- Compared to Q4 2025, originations grew 8%
- On an underlying basis, originations growth in Q1 2026 was solid year-over-year, underpinned by:
  - Strong client demand; and
  - Continued conversion of Q4 2025 order volumes



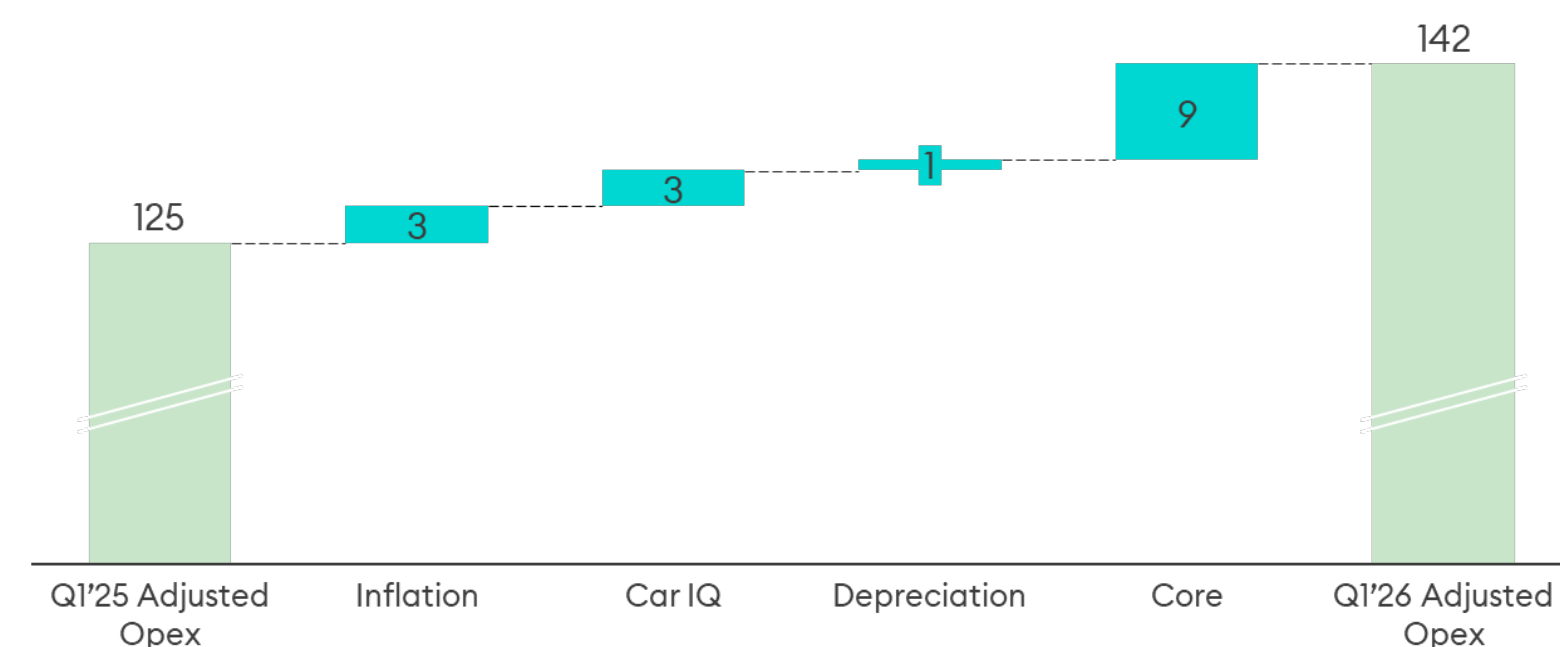
# Adjusted Operating Expenses

- Adjusted operating expenses<sup>1</sup> were up by 13% year-over-year in Q1 2026
- The higher level of expenses primarily reflects inflation-based increases, the acquisition of Car IQ, depreciation, and core growth across the business
- Core expense growth in 2026 resulted continued investment in digitization and product expansion
- These investments are being deployed with discipline and are expected to drive efficiencies that support operating leverage and margin expansion over time
- In Q1 2026 we generated operating leverage of +3.9%, with operating margin expanding 150 basis points year-over-year to 56.2%

Adjusted Operating Expenses (in millions)



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



# FX Rate Trends<sup>1</sup> & Sensitivities

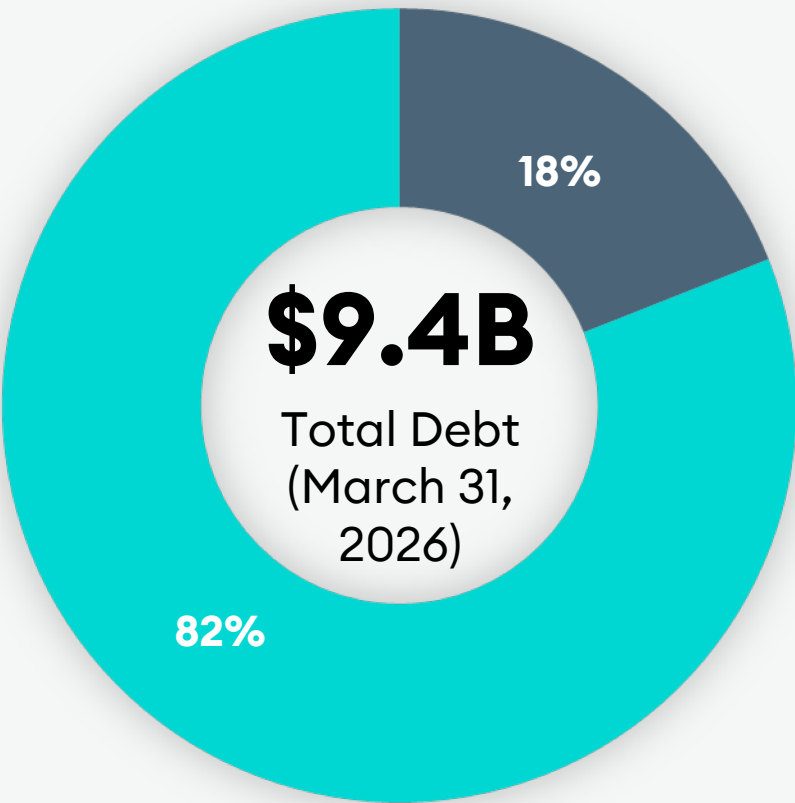
Currency Pair	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	QoQ	YoY
USD/CAD	1.436	1.384	1.377	1.394	1.372	(2%)	(4%)
USD/MXN	20.419	19.516	18.624	18.303	17.577	(4%)	(14%)
USD/AUD	1.595	1.561	1.529	1.523	1.441	(5%)	(10%)
USD/NZD	1.762	1.687	1.687	1.743	1.698	(3%)	(4%)

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.

(US\$ millions, except per share metrics)	Q1'26 vs. Q1'25
Net Financing Revenue	\$15
Services Revenue	\$3
Net Revenue	\$18
Adjusted Operating Expenses	\$4
Adjusted Operating Income (AOI)	\$14
Adjusted EPS [Diluted]	\$0.03

# Low Risk and Resilient Business Model

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



- Operating Debt
- Debt Funding Leased Assets

Credit Losses as a % of Finance Receivables			
2022	2023	2024	2025
0.01%	0.02%	0.01%	0.01%

Portfolio of Leases
<b>~69%</b>
<b>Investment-Grade</b>

Debt-to-Capital Ratio (Q1 2026)
<b>76.4%</b>
<b>(Target range of 73%-77%)</b>

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

# Strategy & Outlook

# 2026 Financial Guidance<sup>1</sup>

- We expect continued growth in both our client base and total revenue in 2026, driven by strong demand across an expanding services portfolio and increased conversion of self-managed fleets
- Resumption of VUM growth in H2 of 2025 supports our expectation for strong top-line growth in 2026
- Targeting 8% to 10% full-year net revenue growth and expect to deliver high-single to low double-digit increases in key metrics such as adjusted operating income, EPS and free cash flow per share
- Delivering positive operating leverage and driving internal efficiencies remain key priorities to continue to generate expansion in operating margin and ROE
- 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

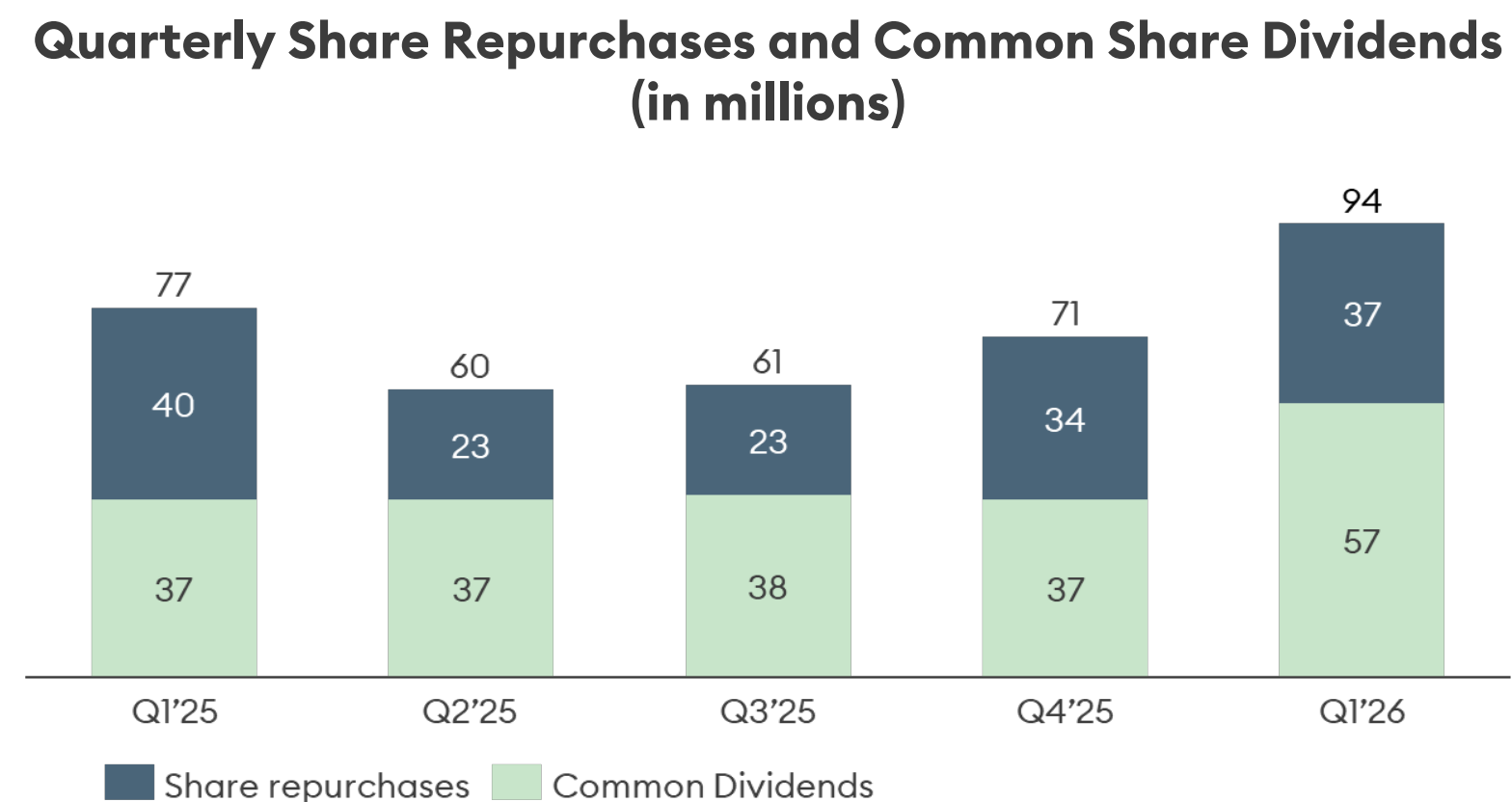
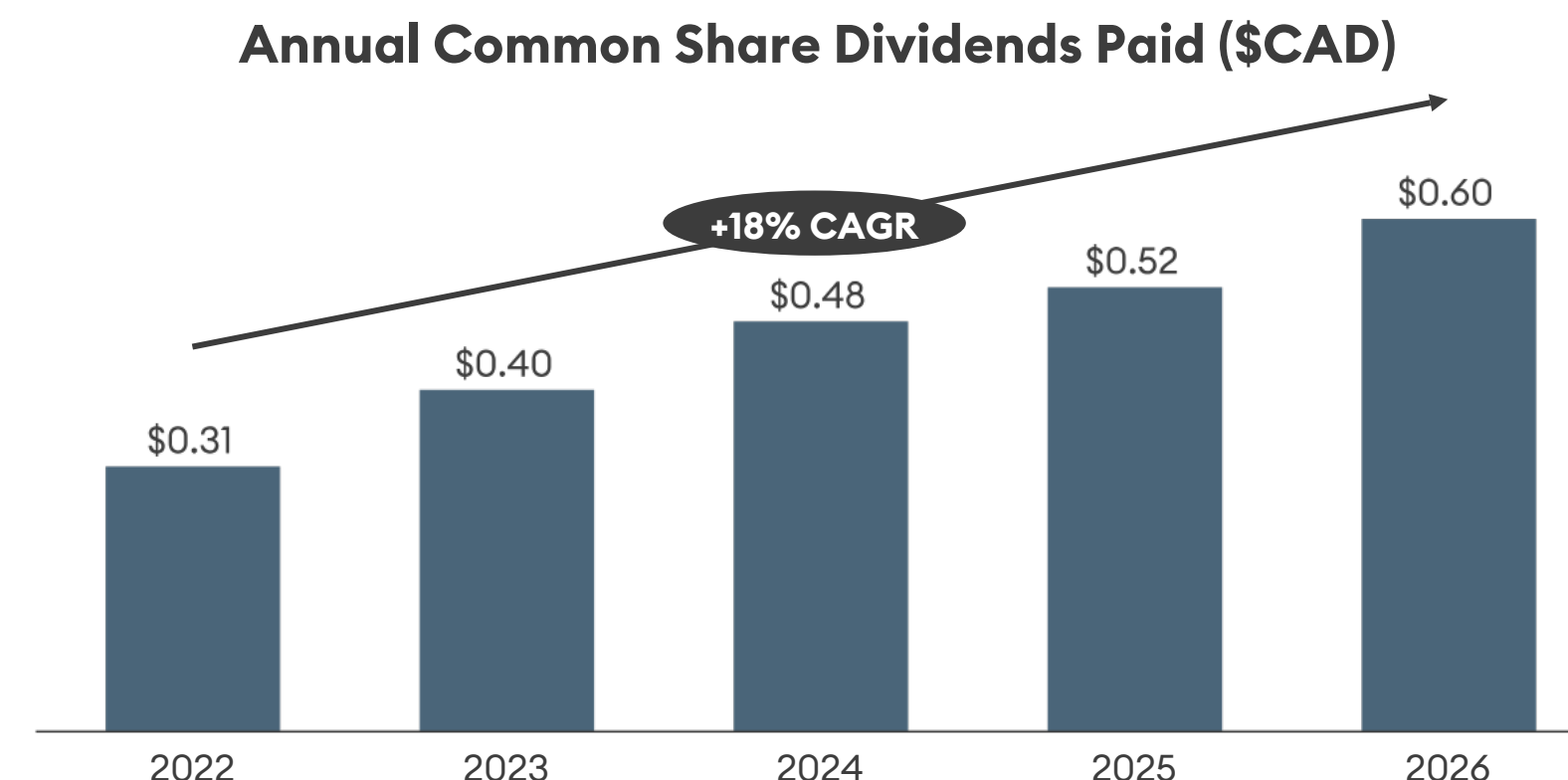
(US\$millions, except per share metrics)	Full-Year 2026 Guidance	Q1 2026 Actuals
Net Revenue	\$1,280-\$1,305	\$324
Adjusted Operating Income <sup>2</sup>	\$720-\$745	\$182
Adjusted Operating Margin <sup>2</sup>	56.3%-57.3%	56.2%
Adjusted EPS [Diluted] <sup>2</sup>	\$1.40-\$1.45	\$0.35
Adjusted Free Cash Flow per Share [Diluted] <sup>2</sup>	\$1.67-\$1.72	\$0.45
Originations	\$6,500-\$6,900	\$1,453

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.

# Return of Capital to Shareholders

Our capital allocation priorities:

1. Prudently reinvesting in the business;
2. Managing to our target debt-to-capital ratio;
3. Paying a consistent and growing dividend (in the range of 25-35% LTM FCF);
4. Review opportunities to accelerate our digitization & automation efforts via external capital deployment;
5. Return of capital to shareholders
  - In Q1 2026, we returned \$94M of cash to shareholders through common dividends and common share repurchases
  - Ended Q1 2026 with 397.1M shares outstanding, a reduction of 5.3M (or 1.3%) from a year ago





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