



Q2 2024 Investor Presentation

Element Fleet Management (TSX: EFN)



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; the ability to satisfy all closing conditions related to the Autofleet acquisition; 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 ability to pre-fund redemption of its outstanding convertible debentures upon their maturity, if required; Element’s plans and ability to redeem its preferred shares; 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, 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 Factors” in Element’s Annual Information Form dated on February 27, 2024, and under the headings “Risk Management” and “Critical Accounting Policies and Estimates” in Element’s Management Discussion and Analysis for the three- and six-month periods ended June 30, 2024, all of which have or will have been filed on SEDAR and can be accessed at Element’s profile on www.sedarplus.ca. Prospective investors should carefully consider the risks associated with an investment in the securities of Element before deciding to purchase any such securities.

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

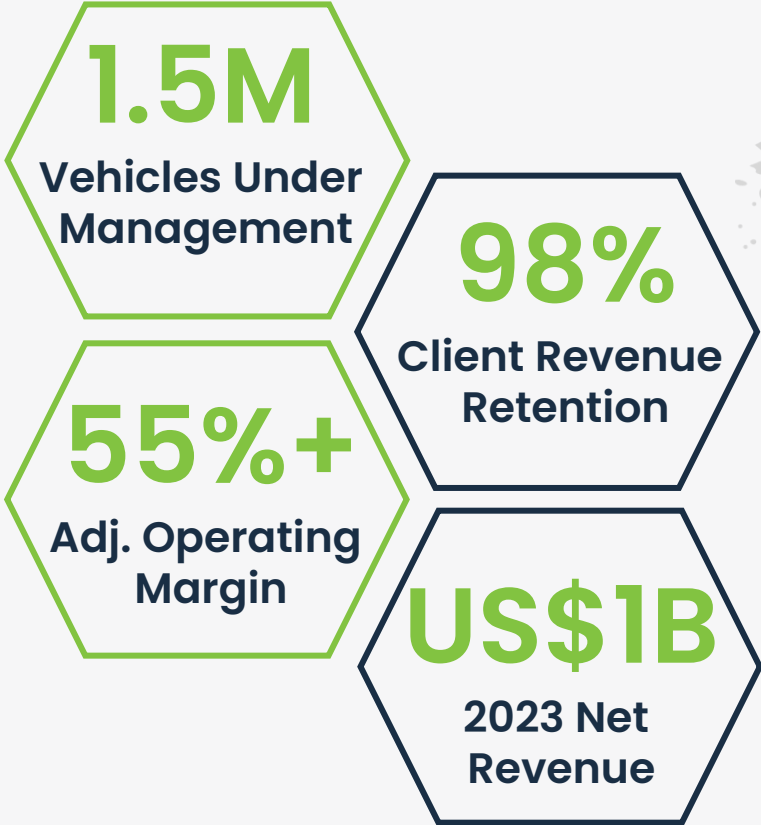
In this presentation, management presents measures that do not have a standardized meaning under IFRS and may not be comparable to similarly-named or any other non-GAAP measures presented by other organizations. Descriptions of the non-GAAP measures presented in this document can be found in Element’s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



Contents

- Element fleet.....slide 4
- Q2 2024 Highlights.....slide 5
 - Q2 and YTD financial highlights
 - Executing on our growth strategy
 - Vehicles under management
 - Growing adjusted FCF per share and return of capital
- Looking Ahead.....slide 13
 - Raising 2024 guidance
 - Ample growth opportunity
 - Originations
 - Favourable market dynamics
 - Strategic initiatives
 - Acquisition of Autofleet
 - Economics of transitioning to EV
- Sustainabilityslide 21

Element Fleet – the largest pure-play publicly traded automotive fleet manager in the world



Our Purpose: To Move the World Through Intelligent Mobility

Q2 2024 Highlights

Q2 2024 HIGHLIGHTS

Q2 2024 Results (vs Q2/23)

(In US\$ millions unless otherwise noted)

Net revenue

\$274.6M | ▲ **14.1%**

Services revenue

\$140.1M | ▲ **10.8%**

Adj. operating income¹

\$152.9M | ▲ **15.2%**

Adj. operating margin¹

55.7% | ▲ **60 bps**

Adj. Free Cash flow per share¹

\$0.38 | ▲ **4 cents**

Adj. EPS¹

\$0.29 | ▲ **4 cents**



1. Considered to be a non-GAAP financial 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- and six-month period ended June 30, 2024, which have been filed on SEDAR (www.sedarplus.ca).

Key Drivers

Record net revenue growth

Continued strength in services revenue

Favourable market dynamics and resilient client demand

Growth in net earnings assets linked to record originations

Q2 2024 HIGHLIGHTS

Q2 YTD 2024 Results (vs Q2 YTD/23)

(In US\$ millions unless otherwise noted)

Net revenue

\$537.0M | ▲ **15.4%**

Services revenue¹

\$287.2M | ▲ **18.7%**

Adj. operating income²

\$296.5M | ▲ **16.3%**

Adj. operating margin²

55.2% | ▲ **40 bps**

Adj. Free Cash flow per share²

\$0.73 | ▲ **11 cents**

Adj. EPS²

\$0.56 | ▲ **8 cents**

Key Drivers

Higher service penetration and utilization rates

Onboarding clients with higher service attachment rates

Driving greater volume through in-network service suppliers

Commercial momentum across share-of-wallet wins, earning market share from competitors and converting self managed fleets



1. Q1 2024 services revenue includes \$7.0 million of certain revenue items which are unlikely to repeat in 2024.
2. Considered to be a non-GAAP financial 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-month period ended March 31, 2024, which have been filed on SEDAR (www.sedarplus.ca).

Q2 2024 HIGHLIGHTS

Record net revenue and solid operating margin expansion

Key Metrics	Adjusted ¹			Reported		
	Q2 2024	QoQ	YoY	Q2 2024	QoQ	YoY
Services revenue	\$140.1	(4.7%) ²	10.8%	\$140.1	(4.7%)	10.8%
Net financing revenue	\$122.4	14.2%	15.8%	\$122.4	14.2%	15.8%
Syndication revenue	\$12.0	46.4%	41.9%	\$12.0	46.4%	41.9%
Net revenue	\$274.6	4.6%	14.1%	\$274.6	4.6%	14.1%
Operating expenses	\$121.7	(2.9%)	(12.8%)	\$131.6	(0.7%)	14.2%
Operating income	\$152.9	6.4%	15.2%	\$143.0	10.0%	14.0%
Operating margin	55.7%	100 bps	60 bps	52.1%	260 bps	-
Originations (excl. Armada) \$B	\$1,976	28.2%	4.6%	\$1,976	28.2%	4.6%
EPS [basic]	\$0.29	+ 2 cents	+ 4 cents	\$0.26	+ 3 cents	+ 4 cents
Free cash flow per share	\$0.38	+ 3 cents	+ 4 cents			
EPS [basic] – CAD\$	\$0.39	+ 3 cents	+ 6 cents	\$0.35	+ 4 cents	+ 6 cents
Free cash flow per share – CAD\$	\$0.52	+ 5 cents	+ 6 cents			



1. Considered to be a non-GAAP financial 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- and six-month period ended June 30, 2024, which have been filed on SEDAR (www.sedarplus.ca).
2. Q2 2024 services decreased quarter-over-quarter primarily due to the fact that Q1 2024 services revenue benefitted from \$7.0 million in certain one-time items that are not anticipated to recur in 2024 (as previously disclosed). Excluding those one-time amounts, services revenue was largely unchanged quarter-over-quarter.

Q2 2024 HIGHLIGHTS

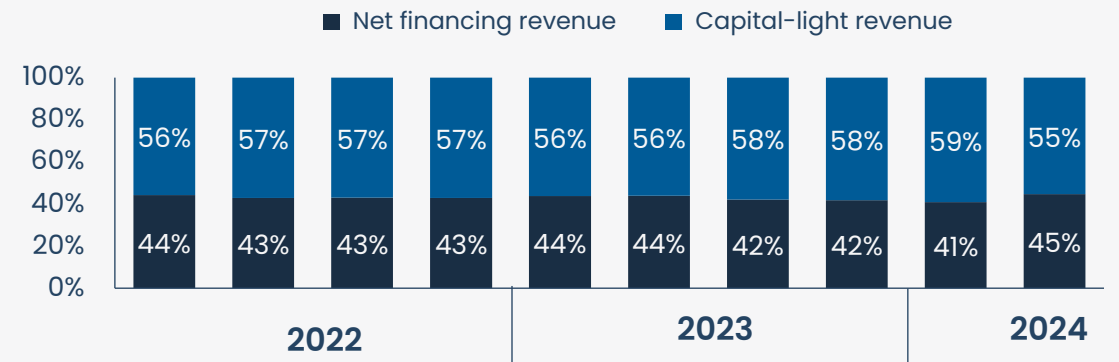
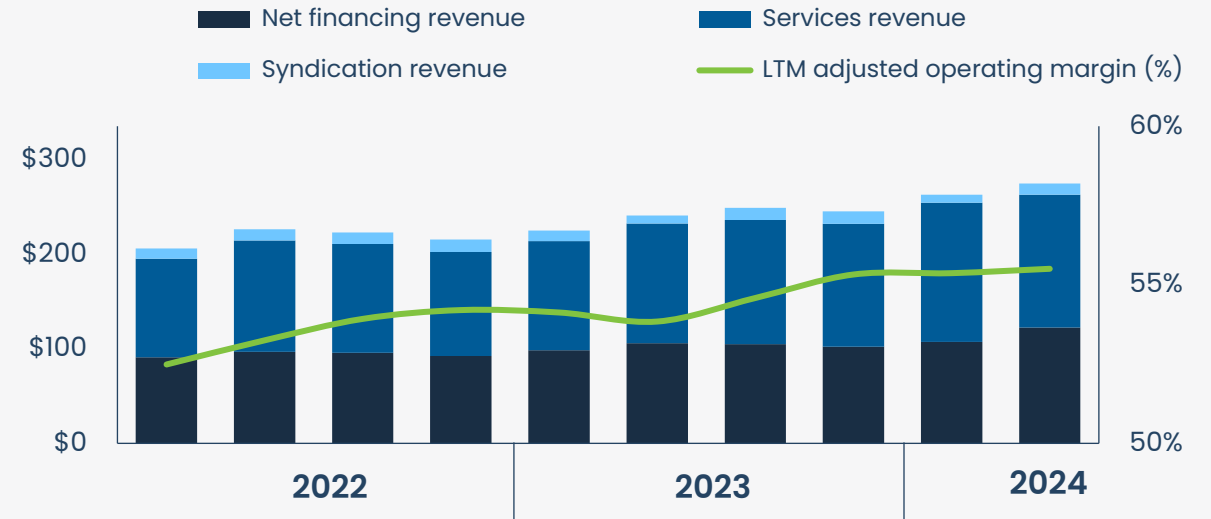
Profitable net revenue growth, primarily fueled by...

- Unlevered strong services revenue growth
 - Increasing penetration rates
 - Driving greater volume through our comprehensive service-supplier networks.
- Leveraging our deep OEM relationships, purchasing power and data analytics to help clients simplify their fleet operations and reduce total cost of ownership.
- Ongoing investments in our business to elevate the client experience and support future growth.
- Digitization and automation initiatives.
- Explore and assess complementary revenue opportunities.

This combination of capital-light services and syndication revenues will continue to enhance Element's return on equity profile.



Net revenue streams, and adjusted operating margin



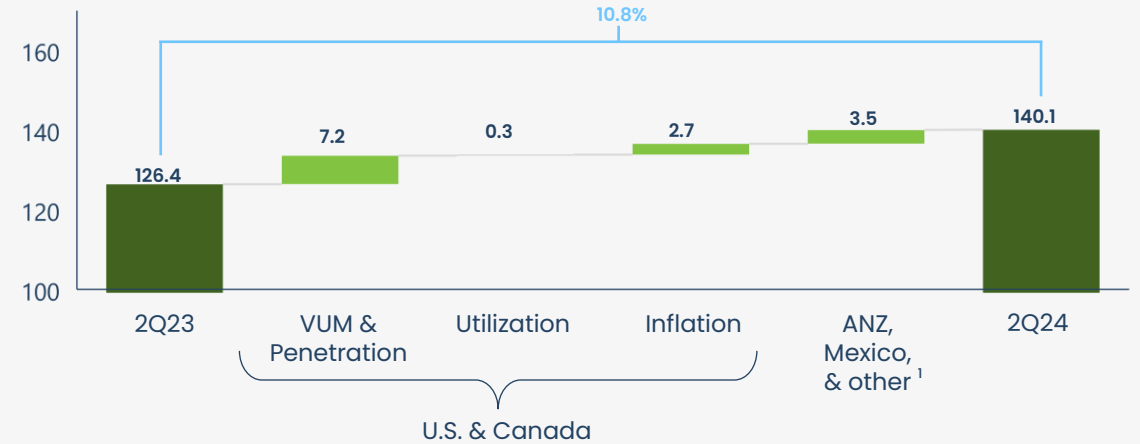
Q2 2024 HIGHLIGHTS

Share of wallet expansion...

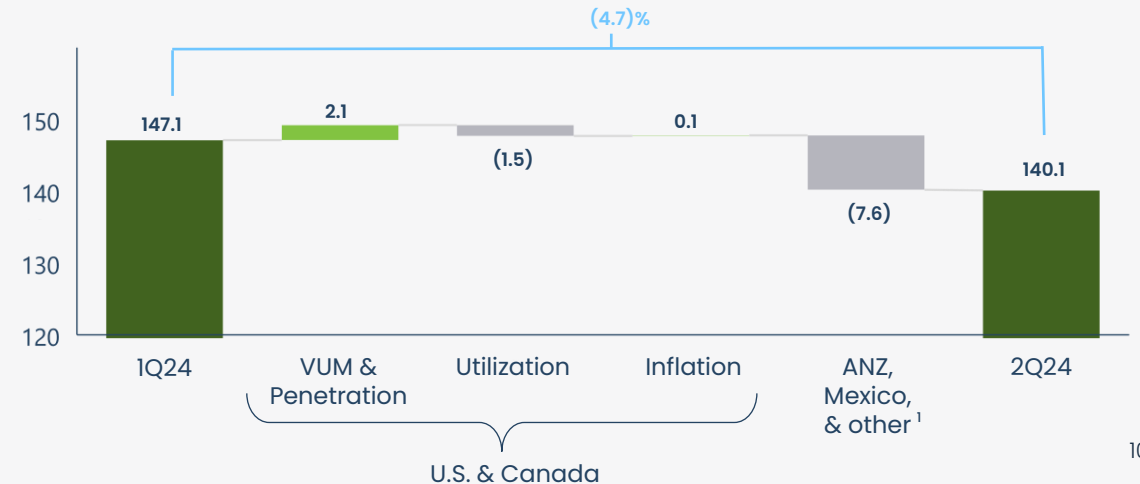
(In US\$ millions unless otherwise noted)

- **YoY growth largely driven by higher penetration rates** – providing more financing and/or services to more of our existing clients' vehicles – deepens our value proposition (by further lowering Total Cost of Operations ('TCO') and reducing fleet-related administrative burden) and increases client retention.

2Q23 -> 2Q24 services revenue



1Q24 -> 2Q24 services revenue



Q2 2024 HIGHLIGHTS

...across our global fleet

Over the long term, Element drives growth in vehicles under management ('VUM') through:

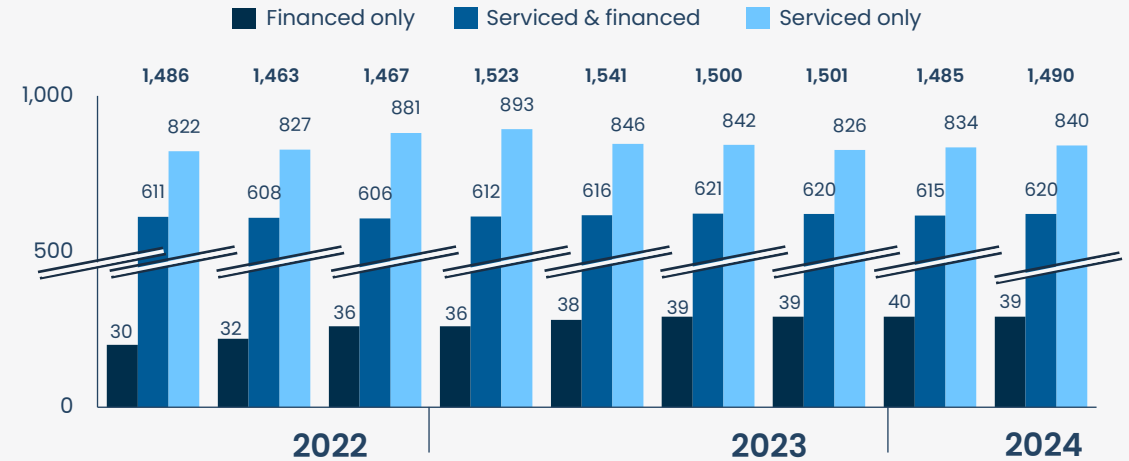
- high client revenue retention;
- 'Internal' growth: earning incremental business from clients whose fleet needs are increasing;
- New clients: earning market share, converting self-managed fleets, and winning government and 'mega' fleets.
- Onboarding new clients with higher services attachment rates.

The majority of the decline in VUM² from 2Q23 through 1Q24 was due to our ending the provision of white-label services to competitors. These were largely low margin and one service only VUM which contributed immaterially to our financial results.

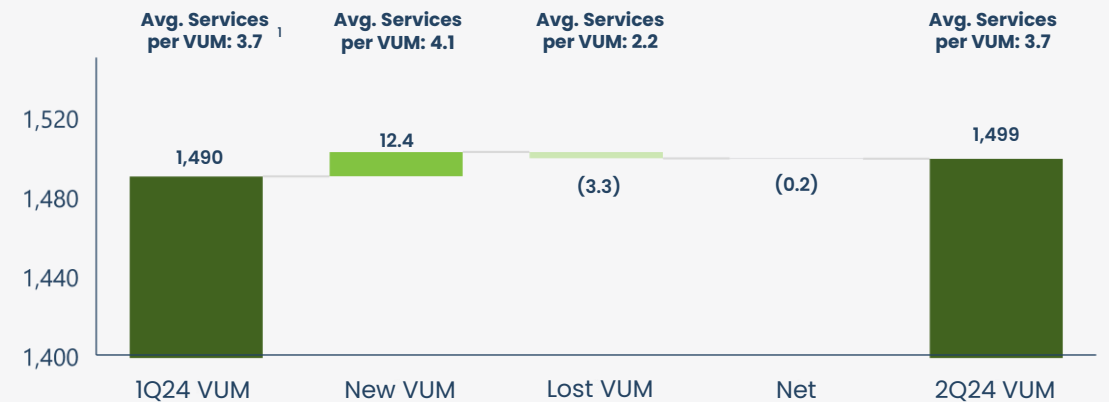


1. U.S. and Canada only. Services being tracked include Collision, Fleet Partnership Solutions, Fuel, Insurance, Maintenance & Roadside Assistance, Tax Benefits, Telematics, Title & Registration and Tolls & Violations. Excludes Acquisitions, Remarketing, Driver Safety and End of Contract services. Commencing Q1 2024 the Company excludes Financing from its total services count (previously included in total services count).
 2. We released approximately 73,800 VUM in 2Q23, 68,000 VUM in 3Q23, 33,000 VUM in 4Q23 and 31,400 VUM in 1Q24 (in aggregate 206,200 VUM) in relation to our move to end the provision of white-label services to competitors.

End-of-period global VUM (in thousands)



End-of-period 1Q24 -> 2Q24 VUM (in thousands)



Q2 2024 HIGHLIGHTS

Growing adjusted FCF per share and returning capital

Capital allocation priorities:

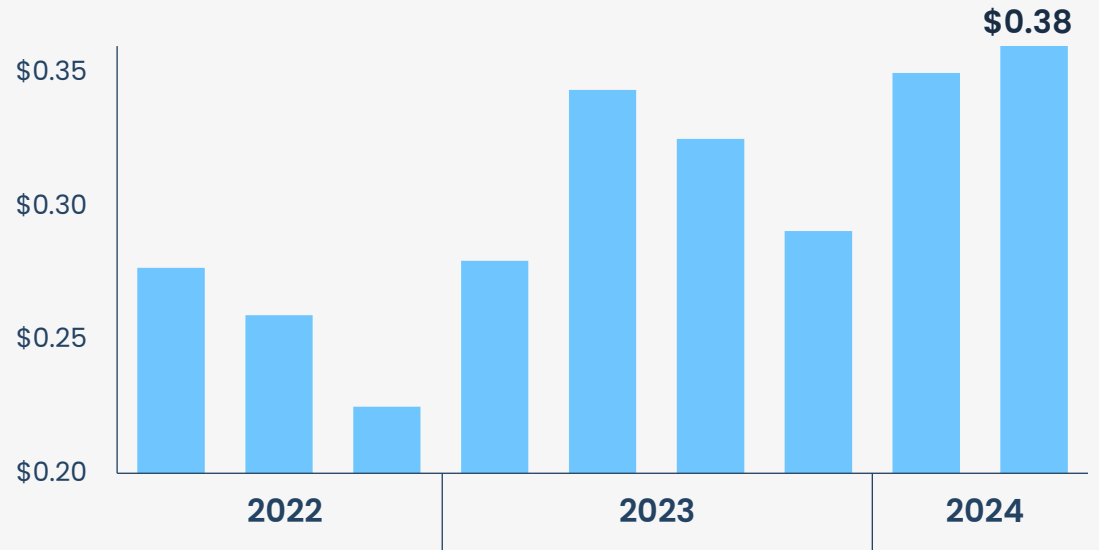
1. Prudently invest in our business;
2. Tangible leverage ratio management (target of 6.25x-6.75x, from time to time, we may temporarily exceed this target range in advancing our strategic priorities.);
3. Consistently grow common share dividends (annual common dividend target payout range of 25-35% of our last twelve months' adjusted FCF per share);
4. Redeem all remaining high-cost legacy preferred shares; and
5. Repurchase common shares under NCIB.



\$1.0 Billion (U.S. dollars)

Total amount of capital returned to shareholders since 2020 through common share buybacks and dividends

Adjusted free cash flow per share (U.S. dollars)



Looking Ahead

LOOKING AHEAD

FY 2024 guidance:
In light of our strong first half 2024 performance, we are raising our full-year 2024 guidance for most metrics

Full-year 2024 results guidance¹

(US\$ millions, unless otherwise noted)	FY 2023	FY 2024(prior)	FY 2024 (new)
Net revenues	\$959.1	\$1,020 – 1,040	\$1,060 – 1,080
<i>Implied YoY growth %</i>		6-8%	11-13%
Adjusted operating margin	55.3%	55.0% – 55.5%	55.0% – 55.5%
Adjusted operating income	\$530.6	\$560 – 575	\$575 – 595
<i>Implied YoY growth %</i>		6-8%	8-12%
Adjusted EPS [basic]	\$0.98	\$1.05 – 1.09	\$1.07 – 1.11
<i>Implied YoY growth %</i>		7-11%	9-13%
Adjusted free cash flow per share	\$1.24	\$1.31 – 1.34	\$1.32 – 1.36
<i>Implied YoY growth %</i>		6-8%	6-10%
Originations (excl. Armada) - \$billions	\$6.3	\$7.0 – 7.4	\$7.0 – 7.4
<i>Implied YoY growth %</i>		11-17%	11-17%

1. Excluding the impact of non-recurring setup costs related to strategic initiatives as well as non-recurring costs associated with the acquisition of Autofleet, and prior to any material change in foreign exchange.

LOOKING AHEAD

Ample opportunity to continue growing

Addressable markets:

U.S. and Canada:

- **US\$4.4 billion** of total annual net revenue opportunity
- ~55% self-managed

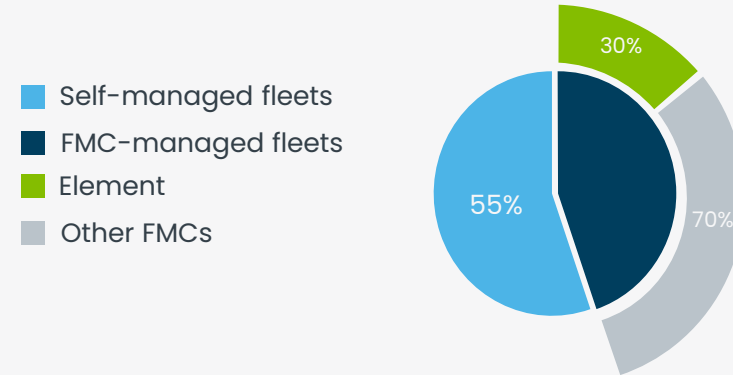
Mexico:

- **US\$2.7 billion** of total annual net revenue opportunity
- ~65% self-managed

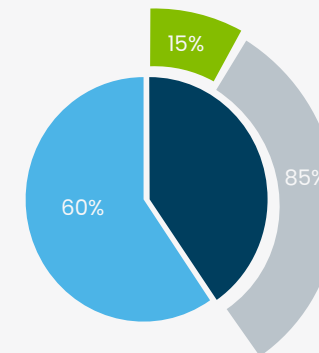
ANZ:

- **US\$2.5 billion** of total annual net revenue opportunity
- ~60% self-managed

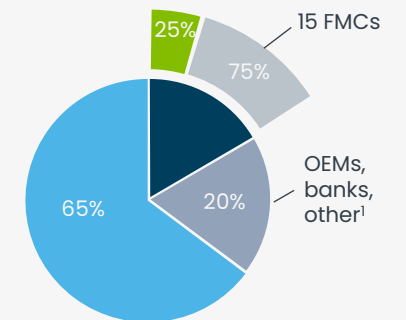
U.S. & Canada



Australia & New Zealand



Mexico²

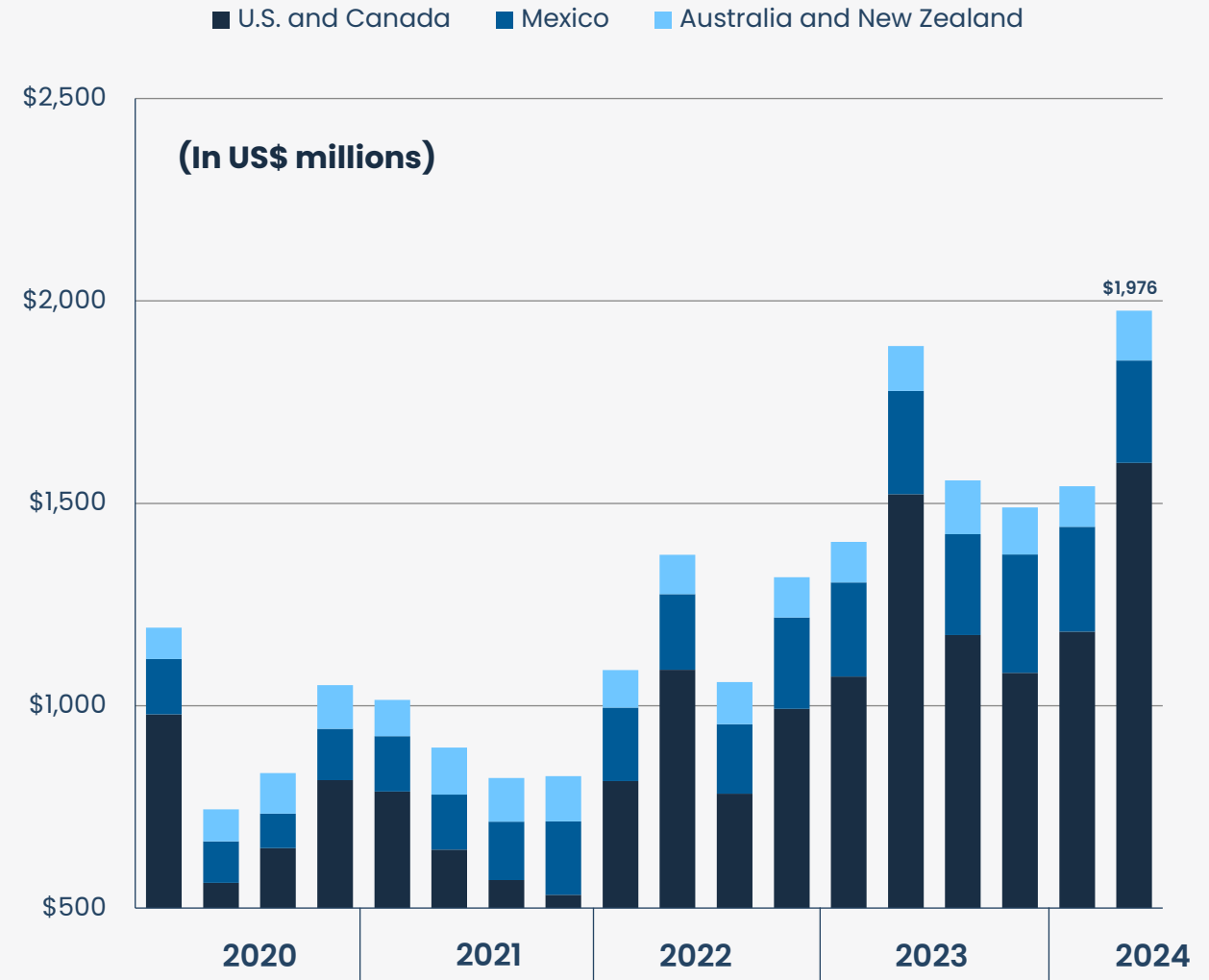


LOOKING AHEAD

Continued originations growth

1. Resilient client demand
2. Sustained commercial success
3. Improving OEM production volumes and order to delivery cycle times
4. Few models remain on OEM-controlled allocations
5. Waning consumer demand may result in higher near-term allocation to commercial sector

Originations growth and geographic distribution



LOOKING AHEAD

Favourable market dynamics supporting conversion of self-managed fleets



Growing complexity

The need to simplify the complexities of managing large fleets to lower total cost of fleet ownership.



Fleet electrification

Transition to EV fueled by corporate decarbonization goals and gov't incentives. EV expertise required.



Data-driven insights

Element leverages its access to advanced analytics, telematics, and driver behaviour for strategic advantage and enhanced decision-making.



Incumbent scale advantage

Element has 1.5 million vehicles under management, unrivaled purchasing power, strategic advisory capabilities and access to a network of 60,000 suppliers.

LOOKING AHEAD

Laying the foundation for future growth – Leasing & Strategic Sourcing Initiatives

- **Centralizing accountability for U.S. and Canadian leasing in Dublin, Ireland**

- Enhancing our consistent, superior client leasing experience.
- Commenced operations in early August 2024

- **Establishing a strategic sourcing presence in Singapore**

- Broadening and deepening relationships with Asian OEMs & improving clients' access to new vehicles.
- Commenced operations in April 2024 and entered into a collaboration agreement with BYD, the world's leading new energy vehicle manufacturer/power battery supplier.



Expect to generate between \$30-45 million of run-rate net revenue, and between \$22 - 37 million of run-rate adjusted operating income, by full-year 2028.

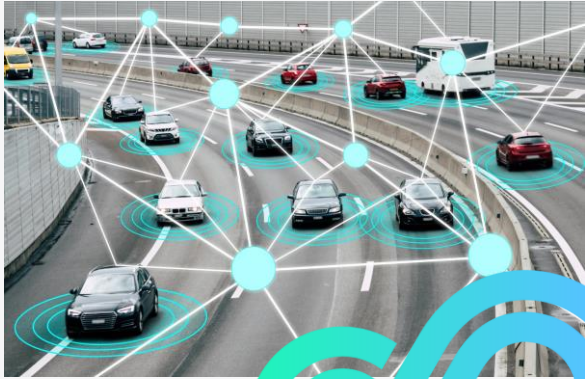


Initiatives will require approximately \$22 million (total) in non-recurring setup costs, of which \$4.5 million were incurred in H1 2024. In 2023, we incurred \$13.7 million, in aggregate, in such costs.



The remaining and final non-recurring setup costs are expected to be incurred in Q3 2024, on time and on budget.

Accelerating Digitization and Automation with the **Acquisition of Autofleet**



autofleet

**Shaping the mobility
landscape of tomorrow**

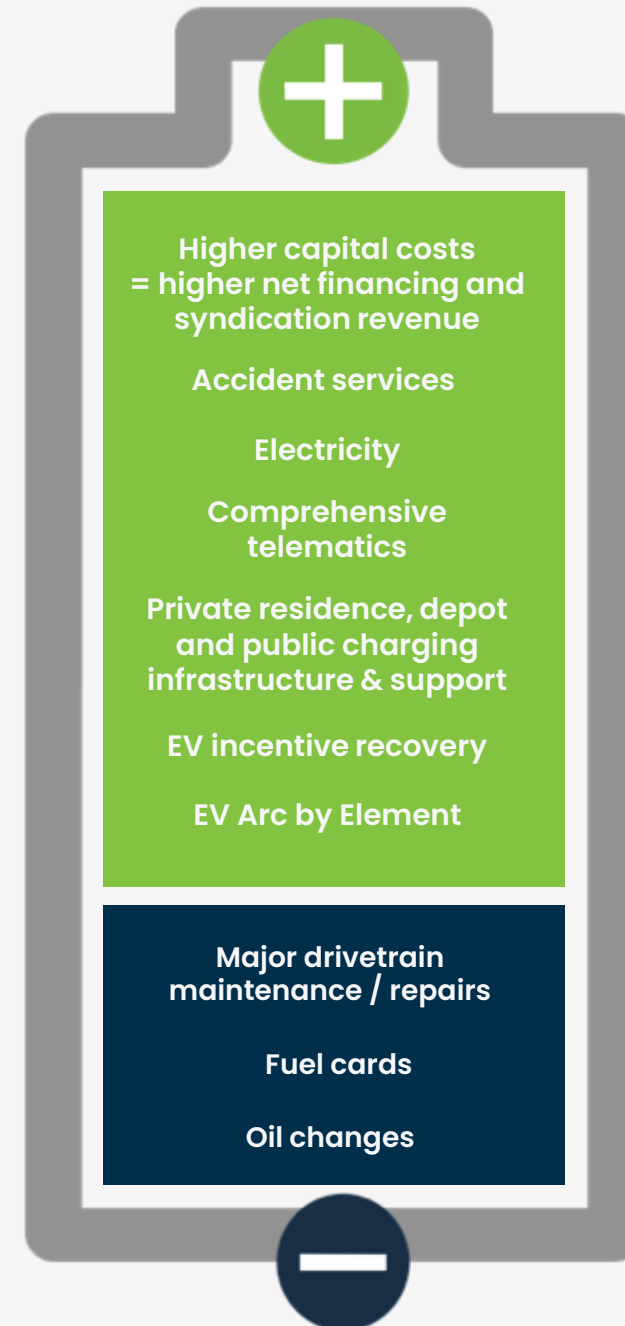


- Definitive agreement to acquire Autofleet, an innovator in fleet and mobility optimization
- Autofleet has a robust and highly scalable fleet optimization technology platform alongside optimized mobility solutions tailored to the fleet industry
- Autofleet has a skilled team of 70 professionals, including developers, engineers, and data scientists
- Autofleet's expertise will enable Element to accelerate the modernization of its digital platform, enhance its ability to scale its core business more quickly, and ultimately deliver increased value to clients and shareholders
- The combined strengths of both companies helps unlocks potential new revenue streams
- Better positions Element for sustained growth, innovation, and preserves market leadership in the evolving mobility landscape

LOOKING AHEAD

The economics of transitioning from ICE to EV

- The transition is expected to be **net revenue positive**, with near-term economic benefits driven primarily by:
 - Increased net financing due to higher vehicle prices and opportunities to finance charging infrastructure.
 - Increased maintenance and collision due to higher parts and repair costs.
- As adoption and implementation progress, new EV-related services revenue opportunities and connected solutions will become more entrenched and are expected to make up for lost fuel and ICE related maintenance revenues.
 - Furthermore, we expect the reduction in commercial vehicle maintenance to be less pronounced than in consumer segments.



Sustainability

SUSTAINABILITY

Sustainability highlights

In June 2024, we issued our fourth annual sustainability report titled “Sustainable Momentum: Building on Progress”, which reflects our 2023 achievements

Highlights from the 2024 Sustainability Report include:

- Commitment to the Science-based targets initiative (SBTi)
- Aligned disclosures to the Task Force on Climate-related Financial Disclosures (TCFD)
- Full disclosure of greenhouse gas (GHG) emissions across all Scopes
- Reduced Scopes 1 and 2 GHG emissions by 44%¹
- Strong diversity representation trends
- Supplier Diversity program – US\$1.8 billion spent across 4,800+ diverse suppliers in our service networks including women, minority, LGBT, disability and veteran-owned businesses
- 60% women on our Board of Directors
- 62% increase in electric vehicle originations^{2,3}



¹ Compared to 2019 baseline, reduction calculated utilizing Scope 2 market-based GHG emissions

² Inclusive of Plug-in Hybrid Electric Vehicles (PHEV) & Hybrid Electric Vehicles (HEV)

³ U.S. and Canada.



**Corporate sustainability priorities
are accelerating fleet
decarbonization efforts.**

SUSTAINABILITY

Recognition

Our efforts in 2023 were recognized by the following organizations:



Globe and Mail Board Games

Top 8% of 219 Canadian companies in 2023



Geotab Innovation Award

Element was awarded the Geotab Innovation Award for Electric Vehicle Innovation



CDP Climate

Scored a B, which is the "Management" level ranking higher than the North American regional average



Australian Workplace Equality Index (AWEI) Bronze Award

for LGBT inclusion



EcoVadis

Silver Medal placing Element in the top 25% of companies assessed



Sustainable Supply Chain Case Study Award



Grupo Expansión MX for work climate & culture study

Element ranked #41 of 763 for participating companies with fewer than 500 team members



Work 180 Endorsement

Recognising our policies and practices create a great place to work for women



Johnson Controls Sustainability Supplier Leadership Award



CSR Certification (Empresa Socialmente Responsable) by CEMEFI



Better Companies from Betterfly

Element Mexico ranked #19 out of 170 companies in Latin America for companies with 300+ team members



IR Magazine Canada:

- Best overall investor relations (mid-cap)— Element Fleet Management Corp (EFN:CA)
- Best investor relations officer (mid-cap)— Michael Barrett, VP of IR & Investments
- Best IR by a small or mid-cap senior management team

