



# News Release

## **Element Fleet Announces Intention to Segment Financial Reporting of Core and Non-Core Assets, Optimize Capital Structure and Enhance Governance**

### **Schedules Q2 2017 Conference Call**

**TORONTO, Ontario, July 24, 2017** - Element Fleet Management Corp. (TSX:EFN) (“Element Fleet” or the “Company”), North America’s largest publicly traded fleet management company, today announced its intention to segment its financial reporting of core and non-core assets, optimize its capital structure and enhance governance. Element Fleet also announced the timing of the release of its Q2 2017 financial statements and related management discussion and analysis.

“This is another step in our ongoing progress as we execute our strategic plan to focus on our Core Fleet business, which uses our advanced fleet management platform to make our over 2,800 customer fleets safer, smarter and more productive,” said Bradley Nullmeyer, Chief Executive Officer of Element Fleet. “Since the separation of ECN Capital Corp. (“ECN”) on October 3, 2016, our leadership team and Board, with the assistance of professional advisors, have been engaged in evolving our strategic plan, targeting financial disclosure, corporate governance practices and capital costs, structure and allocation.”

“We continue to critically evaluate all aspects of the business, including opportunities to optimize our capital structure and address certain non-core assets that remained with us following the separation of ECN. We are also making a number of changes to the way we report, as well as announcing enhancements to our governance. Our objective is to create long term sustainable value for our shareholders as we grow our world class fleet management company. We believe the changes we are making will result in a more focused business that is easier for investors to understand, and ultimately, one that is more valuable.”

### **Core Fleet and Non-Core Segmentation and Optimizing Capital Structure**

Element Fleet is firmly committed to expanding its position as the leading business-services provider focused on fleet management services. Core Fleet operations currently consist of approximately 92% of Element Fleet’s assets and include our global vehicle fleet management services in more than 50 countries around the world through the Element-Arval Global Alliance. The remaining assets are non-core.

The Company continues to execute on growing the Core Fleet business, with an emphasis on technology services and connected vehicles. For example, Element Fleet recently announced that its customers can now integrate data provided by General Motors’ OnStar system directly into Element Fleet’s Xcelerate platform.

Starting with the Q2 2017 financial statements and related management discussion and analysis, Element Fleet will provide granularity on its business, including segmenting certain assets that the Company has determined to be non-core. Element Fleet believes the additional detail and segmentation between Core Fleet and non-core assets will help investors and analysts to more fully understand and better value its business.

Non-core assets represent approximately 8% of Element Fleet assets and include a 49.99% interest in 19th Capital Group LLC and a 32.5% interest in ECAF I Holdings Ltd. that remained with Element Fleet as part of the separation transaction when Element Financial Corp. was reorganized into Element Fleet and ECN Capital on October 3, 2016.

The Company will review and engage in opportunities to optimize the value of its non-core assets and expects to opportunistically use the proceeds from any monetization of such assets in a manner that will best create value for shareholders, including retiring debt and/or share buybacks.

Element Fleet has achieved one of the lowest costs of financing in the fleet industry with the issuance in May 2017 of US\$1.2 billion rated term notes through Chesapeake Funding II LLC. The offering marked the largest Asset Backed Security issuance to date in the fleet lease sector. By further refining Element Fleet’s business model to focus exclusively on Core Fleet operations, the Company expects to further lower its overall funding spreads and increase balance sheet efficiency.

## Governance Updates

The Board intends to appoint at least two additional independent directors before the end of 2017 and has engaged DHR International, Inc. to assist with the search. The Board's objective is to recruit candidates whose qualifications are suited to support the Company's goal of building its technology-based fleet business, and who bring a variety of views and experiences to the Board that would position them well to best represent shareholder interests. The Board is committed to best practices and will continue to review opportunities to enhance the Company's governance.

### Q2 17 Disclosure Timing and Access

Before the markets open on August 10, 2017, Element Fleet intends to file its financial statements and management discussion and analysis for the fiscal quarter ended June 30, 2017, and to hold an investor conference call. The conference call is scheduled to commence at 8:30am (Eastern Time). The conference call may be accessed by dialing the following numbers:

- North America Toll-Free: 1-800-806-5484
- Local: 416-340-2217
- International dial-in numbers: <https://www.confsoptions.ca/ILT?oss=7P1R8008065484>
- Passcode 1351565#

A series of presentation slides will be referenced by management during the conference call. These slides will be available on the Company's website in advance of the conference call and may be accessed at <https://www.elementfleet.com/about-us/investor-relations/presentations>.

The call will be recorded and may be accessed until September 30, 2017 by dialing 1-800-408-3053 or 905-694-9451 and entering the pass code 1773671#.

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*This release includes forward-looking statements regarding Element Fleet. Such statements are based on the current expectations and views of future events of the Company's business. In some cases, the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The forward-looking events and circumstances discussed in this release, including, but not limited to anticipated changes to the Company's financial reporting and the anticipated benefits thereof, the ability of the Company to optimize its capital structure and enhance its governance, the ability of the Company to optimize its non-core assets and the redeployment of proceeds from any monetization of such assets, the ability of the Company to create long term sustainable value for its shareholders and grow its fleet management business, the anticipated benefits of the announced changes, the ability of the Company to lower its overall cost of funding and change its balance sheet composition and the appointment of new independent directors to the Company's board, including the timing of any such appointments and the expertise of any such appointees, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Element Fleet, including risks regarding economic factors and many other factors beyond the control of the Company. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and information. These and other risks and uncertainties, as well as other information related to the Company, are discussed in the Company's various public filings available on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). 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 the Company does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*