News Release

Amounts in $CAD unless otherwise noted

Element Reports Third Quarter Results, Increases Transformation Target to $180 Million and Provides Growth Outlook

- *Q3 adjusted operating income from core business increased 31% from Q3 2018 to $129.8 million; equivalent to $0.22 on a per share basis*
- *Cumulative profit improvements actioned through Transformation reached $102 million in Q3, surpassing 2019 year-end goal of $100 million. Given pace of achievement and new opportunities identified, transformation target increased by 20% to $120 million in annual run-rate, pre-tax profit improvements to be actioned by year-end 2019, and $180 million by year-end 2020*
- *Core assets under management grew 11% from Q3 2018, driven by continuing wins in all geographies*
- *Balance sheet continued to strengthen, with syndication activity and strong cash flows contributing to a decrease in adjusted tangible leverage ratio to 6.39*
- *Subsequent to quarter end, Element received an investment-grade BBB rating from Standard & Poor's*
- *Element expects transformed business to grow revenue 4-6% annually beginning in 2020*
- *19th Capital sale process initiated to maximize value and maintain focus on the core business*

TORONTO, ON, November 6, 2019 - Element Fleet Management Corp. (TSX: EFN) ("Element" or the "Company"), a leading global provider of fleet management services, today announced financial results for the third quarter ended September 30, 2019 and a $30 million increase in the Company's profit improvement target for its client-centric transformation program.

Element's market-leading fleet platform generated adjusted operating income of $129.8 million or $0.22 per share from its core business in Q3 2019, an increase of 31% or $30.3 million over Q3 2018. Q3 2019 core adjusted operating income included $20.6 million of improvement delivered by transformation.

On a consolidated basis, the Company reported net income of $70.1 million or $0.14 per share for Q3 2019, compared to a net loss of $341.1 million or -$0.93 per share in Q3 2018.

Core assets under management grew 5% quarter over quarter and 11% year over year; $0.7 billion and $1.6 billion, respectively.

Element continues to rapidly de-leverage its investment-grade balance sheet, achieving 6.74x tangible leverage at September 30, 2019, compared to 9.56x at September 30, 2018. Moreover, if the Company's non-recourse warehouse credit facility - which exclusively funds pre-syndication assets for one large, rapidly growing client - were excluded from the tangible leverage calculation, the ratio would be 6.39.

"Thanks to the tremendous efforts of our team, Element is making remarkable progress on all aspects of our strategic plan," said Jay Forbes, President and Chief Executive Officer of Element. "Our singular focus on our transformation is delivering results that remain ahead of plan, enabling us to significantly increase our targeted profit improvements to $180 million. Our rapid deleveraging of the balance sheet has enabled us to secure a second investment-grade credit rating, which is key to further lowering our cost of capital. And, in anticipation of a solidified operating platform and a further strengthened balance sheet, we envision Element achieving strong and sustainable revenue growth beginning in 2020."

Transforming the Core

Element remains well ahead of schedule in transforming its core business to consistently deliver a superior client experience. As of September 30, 2019, the Company had actioned a cumulative $102 million of annual run-rate, pre-tax profit improvements - surpassing its 2019 year-end goal of $100 million - and is currently on pace to action $120 million of profit improvement initiatives by the end of this year.

Initiatives actioned to date have delivered $48 million of operating income benefit year-to-date and are expected to improve Element's full-year operating income by approximately $70 million in 2019. Of that amount, $20.6 million was delivered in Q3.

Recognizing progress to date and having identified new transformation initiative opportunities (as set out in the company’s Q3 2019 investor presentation available on its website), Element has increased its actioned annual run-rate, pre-tax profit improvement target from $150 million to $180 million by year-end 2020.

Strengthening the Balance Sheet

Element continues to prioritize strengthening and de-risking its investment-grade balance sheet. The significant improvement to Element’s tangible leverage ratio, profitability, and free cash flow profile over the past 12 months have resulted in a number of positive actions from credit rating agencies. These will help the Company reduce its cost of capital over time.

Standard & Poor’s has initiated coverage of Element with a BBB investment-grade credit rating that is a prerequisite for the Company to further its stated objective of issuing bonds in the U.S. unsecured corporate debt market in the first half of 2020. In September 2019, credit rating agency Fitch affirmed its BBB+ investment-grade rating and improved its outlook for Element. In October 2019, credit rating agencies DBRS and Kroll also affirmed their stable outlooks and investment-grade ratings for Element: BBB (high) and A-, respectively.

Winding Down 19th Capital

The Company has also initiated a formal process to sell its 19th Capital business. 19th Capital is the only remaining material non-core asset on Element’s balance sheet, and maximizing its value through an efficient disposition at this time enables the Company’s senior leadership to remain focused on the transformation program, the balance sheet, and growing Element’s core fleet management business. The Company has not set a timeframe for disposition, but is committed to updating the market when a course of action has been decided.

Growth and Go-to-Market Strategy

Element has performed a comprehensive, in-depth study of the North American fleet management market, including segmentation, penetration, pricing, and other industry dynamics. The resulting insights are informing the development of the Company’s enhanced go-to-market strategy, which will take advantage of Element’s evolved capabilities as a result of its transformation.

Based on the work completed to date, Element expects to achieve annual revenue growth of 4-6% beginning in 2020 by (i) holding market share through improved client retention, (ii) optimizing its sales processes with respect to existing and new clients throughout North America, (iii) better managing client profitability, (iv) leveraging our market leadership position in the fast-growing Mexico market, (v) using the Company’s strengthened financial position to convert self-managed fleets to outsourced programs in targeted market segments and (vi) the periodic addition of “mega fleets” such as our large, rapidly growing client.

Financial Highlights

(in $000's for stated values, except per share amounts)	**Three-month periods ended** September 30, 2019	June 30, 2019	September 30, 2018
	$	$	$
Consolidated Results			
Net income (loss) for the period	**70,145**	64,061	(341,105)
Earnings (loss) per share [basic]	**0.14**	0.12	(0.93)
Net revenue	**245,796**	249,570	221,255
Adjusted operating expenses[1]	**118,146**	123,594	123,164
After-tax adjusted operating income attributable to common shareholders[1]	**94,240**	90,247	69,365
After-tax adjusted operating income per share [basic][1]	**0.22**	0.21	0.18
Core Fleet Management Operations			
Net revenue	**244,496**	248,433	220,115
Adjusted operating expenses[1]	**114,710**	121,747	120,677
After-tax adjusted operating income attributable to common shareholders[1]	**96,002**	90,819	70,469
After-tax adjusted operating income per share [basic][1]	**0.22**	0.21	0.19
Net interest and rental revenue margin or NIM[1]	**3.24%**	3.24%	3.28%
Total average net earning assets	**$ 12,252,933**	$ 12,643,224	$ 12,680,054
Total end-of-period assets under management	**$ 16,169,794**	$ 15,516,475	$ 14,593,333

1. See non-IFRS measures, and the Company's Management Discussion & Analysis ("MD&A") for the three and nine-month periods ended September 30, 2019 for more information.

Core Fleet Management Operations

The following summarizes results from the Company's core Fleet Management operations:

(in $000's for stated values, except per share amounts)	**Three-month periods ended** September 30, 2019	June 30, 2019	September 30, 2018
	$	$	$
Net revenue			
Net interest income and rental revenue	**209,267**	216,663	204,176
Interest expense	**110,036**	114,209	100,218
Net financing revenue	**99,231**	102,454	103,958
Servicing income, net	**122,181**	124,236	109,750
Syndication revenue, net	**23,084**	21,743	6,407
Net revenue	**244,496**	248,433	220,115
Adjusted operating expenses			
Salaries, wages and benefits	**77,427**	82,797	80,742
General and administrative expenses	**27,443**	29,148	33,739
Depreciation and amortization	**9,840**	9,802	6,196
Adjusted operating expenses	**114,710**	121,747	120,677
Adjusted operating income	**129,786**	126,686	99,438
Provision for taxes applicable to adjusted operating income	**22,713**	24,703	17,901
After-tax adjusted operating income	**107,073**	101,983	81,537
Less: Cumulative preferred share dividends	**11,071**	11,164	11,068
After-tax adjusted operating income attributable to common shareholders	**96,002**	90,819	70,469
Weighted average number of shares outstanding [basic]	**435,134**	434,687	380,644
After-tax adjusted operating income per share [basic]	**0.22**	0.21	0.19

Dividends Declared

The Company's Board of Directors has authorized and declared a quarterly dividend of $0.045 per outstanding common share of Element for the fourth quarter of 2019. The dividend will be paid on January 15, 2020 to shareholders of record as at the close of business on December 31, 2019.

Element's Board of Directors also declared the following dividends on Element's preferred shares:

Series	TSX Ticker	Amount	Record Date	Payment Date
Series A	EFN.PR.A	$0.4333125	December 13, 2019	December 31, 2019
Series C	EFN.PR.C	$0.388130	December 13, 2019	December 31, 2019
Series E	EFN.PR.E	$0.368938	December 13, 2019	December 31, 2019
Series G	EFN.PR.G	$0.406250	December 13, 2019	December 31, 2019
Series I	EFN.PR.I	$0.359375	December 13, 2019	December 31, 2019

The Company's common and preferred share dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

Dividend Reinvestment Plan

Element adopted a dividend reinvestment plan (the "Plan") to be administered by Computershare Trust Company of Canada (the "Plan Agent"), which became effective beginning with the fourth quarter dividend of 2018. A complete copy of the Plan is available on Element's website at https://www.elementfleet.com or on the Plan Agent's website at www.investorcentre.com/service. Shareholders should carefully read the complete text of the Plan before making any decisions regarding their participation in the Plan.

To be eligible to participate in the Plan, shareholders must be resident in Canada. Shareholders resident outside of Canada (including shareholders who are non-residents of Canada or partnerships other than "Canadian partnerships" (all within the meaning of the Income Tax Act (Canada)) or that are U.S. persons (within the meaning of Regulation S under the Securities Act of 1933 of the United States)) are not eligible to participate in the Plan.

CEO LETTER TO SHAREHOLDERS

My fellow shareholders,

As we embark on the second half of our transformation agenda, I want to share with you how we think about seizing the opportunities that await a strengthened, more capable Element in 2020 and beyond.

I look at the opportunities as three *waves,* each building on the learnings, improvements and momentum generated by the preceding wave.

The first wave you know well. It is our transformation. Completing it is our top priority. As I reinforce to the team consistently, there is still a great deal to do and this requires the utmost focus.

At the same time, we will further scale our operational capabilities with the large, rapidly growing client we have referenced in recent quarters, and build out our syndication capability in tandem. This is the second wave of opportunity.

Finally, we must shift into growth mode to take full advantage of our stabilized and strengthened business platform and balance sheet. This will be our third wave.

Wave 1: Transformation

You'll recall that the New Path Forward we laid out in October of last year centered on:

- improving our core business,
- strengthening and de-risking our balance sheet, and
- dealing decisively with the distraction of 19th Capital.

For our business, our singular focus in 2019 has been to consistently deliver a superior client experience.

It's working.

Our operations are delivering better, more consistent client outcomes.

Our clients - and our competitors - are seeing that these changes are real and sustainable. We heard clearly at our most recent client advisory board meeting that we are on the right track.

Our promised profit enhancements are coming faster than expected, giving us confidence to increase our actioned run-rate profitability improvements target by 20%, from $150 million to $180 million by the end of 2020.

Our people feel empowered and more engaged.

This sets us up well for the coming year's transformation focus, "Building for the Future."

We are simplifying, automating and strengthening how we work, and solidifying our foundation to support our growth aspirations. This is an all-encompassing effort spanning policies, processes, systems and culture. It also means that we are reducing headcount in some areas, freeing up resources to grow in others.

It's not enough to be able to consistently deliver the superior experience we promise to current clients. We must be equipped to do so for all the new clients we intend to attract.

Our balance sheet is fundamentally stronger because of our efforts to sell non-core assets, refinance maturing debt on preferential terms and aggressively deleverage through syndication.

Our tangible leverage ratio, adjusted to exclude our non-recourse warehouse credit line, stood at 6.39 as of September 30.

Finally, when it comes to 19th Capital, we have launched a process to sell this asset in whole or in part. This business is non-core and the US heavy truck market has had its challenges these last few months. The simple fact is that whether we keep 19th and continue to run it off or move on from it, nothing we do at 19th will have any impact on our core business or our EPS guidance. Accordingly, we want to better understand our options for exiting this business and redirecting our resources on the core business.

The sum of all the hard work across these focus areas is that we are slowly but surely turning hope into confidence, externally and internally. The first wave is beginning to crest.

Wave 2: Rapidly Growing Client and Syndication

The next wave of opportunity is gathering speed as we grow alongside the large, rapidly growing client we have referenced, and institute a much-expanded syndication program that helps support that client.

To ensure we execute flawlessly, we are putting in place the needed infrastructure. We are instituting processes that can handle more orders, more vehicles, more drivers, and all the information, queries and connections that come with that.

At the same time, bolstering our end-to-end syndication capabilities ensures we can continue to seamlessly originate and sell all those assets to investors.

Our results demonstrate the power of syndication. This is a source of repeatable, high-quality and high-margin revenue that hugely benefits our balance sheet.

Because of syndication's impact on our leverage, we now have a U.S. investment-grade credit rating from S&P. This opens the door for Element to access the largest, most reliable source of cost-effective funding available: the U.S. unsecured debt market. Selling bonds and redeeming our convertible debentures due in June 2020 with the proceeds of the issuance will result in a lower overall cost of capital for Element. This will make us even more competitive as we pivot to growth.

Simply put, syndication is creating - and accelerating - a virtuous circle, providing us more ability to invest in growth and new initiatives that we know our clients want.

Wave 3: Growth Mode

The third wave is on the horizon.

Our tremendous progress to date encourages us to think about the type and rate of growth we might look to have beyond 2020 as we shift to growth mode. Frankly, I thought it would take us a bit longer to be at a point where we are ready to do this, but we have come so far so fast that the time is right.

Our first task is bringing more analytical rigor to the fleet market. Rather than simply accept the conventional wisdom about the fleet business, we are testing that wisdom and in doing so turning some of what I called "factoids" about the industry into facts borne out by evidence.

We are overlaying on that analysis what we know about our market position and the capabilities we will have thanks to our transformation. The goal is a go-to-market strategy that takes best advantage of our strengths.

We now believe that the transformed Element will be capable of delivering annual total revenue growth of 4-6% beginning in 2020. This belief is anchored by a clear understanding of the growth levers available to us short-, mid- and long-term: (i) holding market share through improved client retention; (ii) optimized sales processes and a compelling value proposition; (iii) better managing client profitability; (iv) leveraging our leadership position in the fast-growing Mexican market; (v) strategically deploying our capital to help potential clients such as governments and large corporations liberate their balance sheets of fleet assets that we are better placed to own and manage on their behalf; and (vi) the periodic addition of "mega fleets" such as that of our large, rapidly growing client.

Capital deployment will be increasingly important as we move ahead. With our ability to generate cash flow from this transformed business and our vastly stronger balance sheet, it's clear to me that - in the not too distant future - our Board will be in the advantageous position of considering its options to best allocate our excess capital.

First Things First

As attractive as it is to think of that future, the immediate priority is to ensure we stay focused on finishing our transformation.

Transformation enables us to consistently deliver the superior experience our clients deserve.

Transformation allows us to deliver the expanded profitability improvements we now foresee.

Transformation allows us to rapidly ramp up to serve the needs of growing clients.

And transformation creates a solid base of operating capabilities that will allow us to grow by earning the business of new clients.

We could not have achieved what we have to date in our transformation without the support of our people, our clients, and our investors.

On behalf of the management team, thank you. We look forward to delivering even more for all stakeholders as we take advantage of the waves of opportunity in front of Element.

Until next quarter,

Jay Forbes
Chief Executive Officer
Element Fleet Management

Conference Calls and Webcasts

A conference call to discuss these results will be held on Thursday, November 7, 2019 at 9:00 a.m. Eastern Time. The conference call and webcast may be accessed as follows:

- Webcast: http://services.choruscall.ca/links/elementfleet20191107.html
- North America Toll-Free: 1-800-319-8560
- International: 1-604-638-5345
- Passcode: 86810#

The webcast will be available on the Company's website for three months. A taped recording of the conference call may be accessed through December 7, 2019 by dialing 1-800-319-6413 or +1-604-638-9010 and entering the access code 3686.

Non-IFRS Measures

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the accounting policies we adopted in accordance with IFRS.

The Company believes that certain non-IFRS measures can be useful to investors because they provide a means by which investors can evaluate the Company's underlying key drivers and operating performance of the business, exclusive of certain adjustments and activities that investors may consider to be unrelated to the underlying economic performance of the business of a given period. Throughout this News Release, management used a number of terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. A full description of these measures can be found in the Management Discussion & Analysis that accompanies the unaudited interim condensed financial statements for the quarter ended September 30, 2019.

Element's unaudited interim condensed consolidated financial statements and related management discussion and analysis as at and for the three and nine-month periods ended September 30, 2019 have been filed on SEDAR (www.sedar.com).

About Element Fleet Management

Element Fleet Management (TSX: EFN) is a leading global fleet management company, providing world-class services and financing for commercial vehicle fleets. The Company enjoys scale and leadership in key markets, a top-tier client base, strong cash flow and ready access to capital, and an investment-grade balance sheet. Element's suite of services spans the total fleet lifecycle – from acquisition and financing to program management and remarketing – helping clients optimize performance and improve productivity. For more information, visit www.elementfleet.com.

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This press release includes forward-looking statements regarding Element and its business. Such statements are based on the current expectations and views of future events of Element's management. 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, including, among others, statements regarding Element's improvements to run-rate profitability; enhancements to clients' service experience and service levels; enhancement of financial performance; improvements to client retention trends; reduction of operating expenses; increases in efficiency; run-off of the 19th Capital portfolio; plans to sell its interests in non-core assets and real estate; terms of the dividend reinvestment plan; transformation of its core business; creation of value for all stakeholders; expectations regarding syndication; growth prospects; level of workforce engagement; improvements to magnitude and quality of earnings; funding of the transformation; executive hiring and retention; process and infrastructure transformation; focus and discipline in investing; balance sheet management and plans to reduce leverage ratios; anticipated benefits of the balanced scorecard initiative; and expectations regarding financial performance. The forward-looking events and circumstances discussed in this release 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, risks related to the completion of the purchase of new portfolios or technologies or the addition of new clients, risks related to the payment of dividends, risks related to business integration and many other factors beyond the control of Element. 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 statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks and assumptions associated with this outlook can be found in Element's annual MD&A, and Annual Information Form for the year ended December 31, 2018, each of which has been filed on SEDAR and can be accessed at 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 Element undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*