# News Release

*Amounts in $CAD unless otherwise noted*

# Element Reports Strong Fourth Quarter and 2019 Results, Continued Transformation Progress Ahead of Target, and 19th Capital Update

- *Q4 adjusted operating income from core business increased 44% from Q4 2018, to $143 million; equivalent to $0.24 on a per share basis*
- *On a full-year basis, adjusted operating income from core business increased 35% from 2018, to $521 million in 2019; equivalent to $0.88 on a per share basis*
- *Transformation reached $131 million of cumulative run-rate profit improvements actioned, exceeding target and delivering $71 million of operating income enhancement in 2019*
- *Annual free cash flow increased 59% over 2018 to $456 million in 2019, driven by improved operating income performance*
- *Core assets under management grew $1.7 billion or 11% in 2019 on a constant currency basis, to $16.7 billion*
- *Return on equity improved from 9.0% in Q4 2018 to 12.6% in Q4 2019*
- *Element recorded a non-cash, after-tax charge of $194 million against non-core assets in Q4, reflecting the further deterioration of 19th Capital asset values resulting from the rapid decline in market prices for Class 8 trucks*

**TORONTO, ON, February 25, 2020** - Element Fleet Management Corp. (TSX: EFN) ("Element" or the "Company"), a leading global provider of fleet management services, today announced its fourth quarter and full-year 2019 financial results.

Element's market-leading fleet management business generated adjusted operating income of $142.6 million or $0.24 per share in Q4 2019, an increase of $43.3 million or 44% over Q4 2018 and $12.8 million or 9.9% over Q3 2019. Q4 2019 core adjusted operating income included $22.5 million of improvement delivered by transformation.

"Our impressive fourth quarter results in our core business capped an outstanding 2019 for Element and all of our stakeholders," said Jay Forbes, President and Chief Executive Officer of Element. "As we enter our second and final full year of transformation, we are further fortifying our industry-leading platform to consistently deliver a superior client experience, and underpin profitable growth and compelling cash flow generation for years to come."

"Our strategic plan continues to produce exceptional results for our clients, our people and our investors," Mr. Forbes added. "The transformation program remains ahead of target as we transition from 'Back to Basics' to our 2020 focus, 'Building for the Future'. And we continue to strengthen and deleverage our investment-grade balance sheet and take steps to lower our cost of capital."

"The one area of the strategic plan that has been problematic for us has been the run-off and sale of 19th Capital. Despite getting off to a strong start in the first half of 2019, market demand for used Class 8 trucks in the U.S. plummeted in the second half. And while our recent sale process garnered plenty of interest, the few offers we received reflected the recent and expected further decline in values. In light of this, we have recorded a charge - $260 million gross / $194 million after-tax - against our remaining non-core assets this quarter, addressing the potential for future associated financial risk to Element. By putting this underperforming legacy asset behind us, we avoid any further distraction from our successful efforts to strengthen and grow our core fleet management business," said Mr. Forbes.

On a consolidated basis, the Company reported a net loss of $117.0 million or $0.29 per share for Q4 2019 due to the 19th Capital charge, compared to consolidated net income of $41.1 million or $0.07 per share in Q4 2018.

For 2019 as a whole, Element's core business generated adjusted operating income of $521.1 million or $0.88 per share, an increase of $134.0 million or 35% over 2018, including $71 million of operating income enhancement from the Company's transformation program. Element's consolidated net income in 2019 was $97.7 million, impacted by the 19th Capital charge.

Core assets under management grew $1.7 billion or 11% in 2019 on a constant currency basis to $16.7 billion, reflecting improved client retention, new client wins in all geographies, and continued expansion of the Armada[1] program.

**Transforming the Core**

Element outperformed its transformation targets in Q4, and 2019 as a whole, in its efforts to refocus the Company on delivering a more consistent, superior client experience. At December 31, 2019, the Company had actioned a cumulative $131 million of annual run-rate, pre-tax profit improvements, surpassing its year-end goal of $120 million. Element is well on its way to actioning $180 million of profit improvement initiatives by the end of 2020, 'Building for the Future' in the final phase of the Company's transformation program.

Transformation initiatives actioned to date delivered $71 million of operating income benefit in 2019 and are expected to grow to $98 million of operating income benefit in 2020.

**Strengthening the Balance Sheet**

Element continues to strengthen and rapidly deleverage its investment-grade balance sheet by syndicating assets and retiring liabilities. The Company syndicated almost $1 billion of assets in Q4 as it continues to strengthen its understanding of the market for its assets and build its syndication capabilities. Syndication, enhanced profitability and rising free cash flow in 2019 all contributed to de-risk and deleverage Element's balance sheet from 7.8x tangible leverage at December 31, 2018 to 7.1x at December 31, 2019. Excluding the impact of the Company's non-recourse warehouse credit facility, which exclusively funds pre-syndication assets for Armada, Element's tangible leverage ratio at December 31, 2019 would have been 6.6.

The ongoing improvement of Element's tangible leverage ratio will help the Company reduce its cost of capital and improve liquidity over time. As previously stated, Element received a BBB investment-grade rating from S&P in Q4, while Fitch affirmed its BBB+ investment-grade rating of the Company and improved its outlook to stable. These two U.S. investment-grade ratings pave the way for Element to issue bonds in the U.S. unsecured corporate debt market in the first half of 2020.

**Pivoting to Growth**

Element's progress in both transforming the business and strengthening the balance sheet have allowed the Company to prepare to pivot to growth ahead of schedule. Element performed a comprehensive, in-depth study of the North American fleet management market in late 2019. The resulting insights into segmentation, penetration, pricing and industry dynamics have informed the Company's enhanced go-to-market strategy that will begin to be implemented in 2020.

As noted last quarter, Element expects to achieve annual net revenue growth of 4-6% beginning in 2021. The Company will do this by (i) holding market share through best-in-class client retention; (ii) improving salesforce effectiveness; (iii) better managing client profitability; (iv) converting self-managed fleets in targeted market segments into Element clients using the Company's strengthened financial position and a compelling value proposition; and (v) leveraging its market leadership position in Mexico and Australia / New Zealand.  Element will also pursue additional, Armada-like "mega fleet" opportunities, the success of which could drive results above 4-6% annual net revenue growth.

1. "Armada" is Element's term for one large, fast-growing client in particular that the Company does not name due to the client's request for confidentiality.

### 19th Capital

Having advanced Element's transformation and materially strengthened its balance sheet, management initiated a formal process to expedite the sale of 19th Capital in the fourth quarter. Although the process attracted nearly 50 potential buyers and multiple serious expressions of interest, Element has not been successful in securing a sale on acceptable terms.

The ongoing swift and steep deterioration of used Class 8 truck market conditions has had a meaningful negative impact on interest and valuations. This, coupled with the price discovery inherent in the sales process, has resulted in Element recording a non-cash charge of $260 million ($194 million after-tax) against non-core assets in the fourth quarter. Following this charge, 19th Capital assets are valued at approximately $133 million. The value of 19th Capital's third-party lender debt is $122 million. Given the market conditions and outlook, the Company has shifted its efforts to accelerate the run-off of 19th Capital, including ramping-up the pace of liquidation of the entity's assets, immediately reducing the scale of 19th Capital operations and engaging with third-party lenders.

19th Capital remains a non-core asset, and - with the Q4 charge - Element has addressed the potential for future associated financial risk to the Company. Moreover, this outcome has no impact on Element's 2020 adjusted EPS guidance of $1.00-1.05 or any material impact on its financial position. While the write-down will increase tangible leverage in the short-term, Element's efforts to-date to strengthen its balance sheet should see the Company's tangible leverage ratio continue its descent to sub-6.0.

"As we take the necessary steps to bring final closure to the ill-fated and costly investment in 19th Capital, and return our full focus to our future - our fleet management business - I am energized by our 2019 success and confident in our ability to continue delivering for all our stakeholders," Mr. Forbes added. "In 2020 we will complete the transformation, further strengthen our balance sheet and launch our pivot to growth - all-the-while ensuring our clients remain at the center of everything we do and every decision we make."

### Financial Highlights

| | Three-month periods ended | | | Twelve-month periods ended | |
|---|---|---|---|---|---|
| (in $000's for stated values, except per share amounts) | **December 31, 2019** | September 30, 2019 | December 31, 2018 | **December 31, 2019** | December 31, 2018 |
| | **$** | $ | $ | **$** | $ |
| **Consolidated Results** | | | | | |
| **Net revenue** | **256,509** | 245,796 | 221,480 | **994,102** | 873,519 |
| Adjusted operating expenses[1] | **118,123** | 118,146 | 124,951 | **480,136** | 486,376 |
| After-tax adjusted operating income attributable to common shareholders[1] | **101,772** | 94,240 | 68,086 | **375,707** | 275,649 |
| After-tax adjusted operating income per share [basic][1] | **0.23** | 0.22 | 0.16 | **0.86** | 0.70 |
| Net (loss) income for the period/year | **(116,978)** | 70,145 | 41,145 | **97,701** | (199,104) |
| (Loss) earnings per share [basic] | **(0.29)** | 0.14 | 0.07 | **0.12** | (0.62) |
| **Core Fleet Management Operations** | | | | | |
| **Net revenue** | **257,554** | 244,496 | 220,818 | **988,185** | 865,174 |
| Adjusted operating expenses[1] | **114,957** | 114,710 | 121,571 | **467,123** | 478,071 |
| After-tax adjusted operating income attributable to common shareholders[1] | **105,205** | 96,002 | 70,311 | **381,506** | 273,151 |
| After-tax adjusted operating income per share [basic][1] | **0.24** | 0.22 | 0.17 | **0.88** | 0.70 |
| Net interest and rental revenue margin or NIM[1] | **3.37%** | 3.24% | 3.11% | **3.25%** | 3.16% |
| Total average net earning assets[1] | **$ 12,011,258** | $ 12,252,933 | $ 12,759,998 | **$ 12,473,997** | $ 12,598,077 |
| Total end-of-period assets under management[1] | **$ 16,710,402** | $ 16,169,794 | $ 15,699,396 | **$ 16,710,402** | $ 15,699,396 |

## Core Fleet Management Operations

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

| (in $000's for stated values, except per share amounts) | Three-month periods ended | | | Twelve-month periods ended | |
|---|---|---|---|---|---|
| | **December 31, 2019** | September 30, 2019 | December 31, 2018 | **December 31, 2019** | December 31, 2018 |
| | **$** | $ | $ | **$** | $ |
| **Net revenue** | | | | | |
| Net interest income and rental revenue | **208,302** | 209,267 | 212,202 | **850,875** | 802,495 |
| Interest expense | **107,040** | 110,036 | 113,072 | **445,397** | 404,603 |
| Net financing revenue | **101,262** | 99,231 | 99,130 | **405,478** | 397,892 |
| Servicing income, net | **128,754** | 122,181 | 119,409 | **493,130** | 455,385 |
| Syndication revenue, net | **27,538** | 23,084 | 2,279 | **89,577** | 11,897 |
| **Net revenue** | **257,554** | 244,496 | 220,818 | **988,185** | 865,174 |
| **Adjusted operating expenses[1]** | | | | | |
| Salaries, wages and benefits | **76,002** | 77,427 | 83,101 | **314,447** | 326,716 |
| General and administrative expenses | **28,818** | 27,443 | 31,639 | **113,157** | 127,076 |
| Depreciation and amortization | **10,137** | 9,840 | 6,831 | **39,519** | 24,279 |
| **Adjusted operating expenses[1]** | **114,957** | 114,710 | 121,571 | **467,123** | 478,071 |
| **Adjusted operating income[1]** | **142,597** | 129,786 | 99,247 | **521,062** | 387,103 |
| Provision for taxes applicable to adjusted operating income | **26,367** | 22,713 | 17,868 | **95,132** | 69,679 |
| **After-tax adjusted operating income[1]** | **116,230** | 107,073 | 81,379 | **425,930** | 317,424 |
| Cumulative preferred share dividends | **11,025** | 11,071 | 11,068 | **44,424** | 44,273 |
| **After-tax adjusted operating income attributable to common shareholders[1]** | **105,205** | 96,002 | 70,311 | **381,506** | 273,151 |
| Weighted average number of shares outstanding [basic] | **435,766** | 435,134 | 424,804 | **434,805** | 391,659 |
| After-tax adjusted operating income per share[1] [basic] | **0.24** | 0.22 | 0.17 | **0.88** | 0.70 |

1. See non-IFRS measures, and the Company's Management Discussion & Analysis ("MD&A") for the year ended December 31, 2019 for more information.

## Commentary on Quarterly Core Results

Assets under management grew by $540.6 million during the quarter as a result of higher originations from continuing wins in all geographies and those for Armada. Average net earning assets declined by $241.6 million from Q3 2019 and $748.7 million from Q4 2018 due to syndication.

For the three-month period ended December 31, 2019, net revenue was $257.6 million compared to $220.8 million for the three-month period ended December 31, 2018, representing a 16.6% increase.

Notwithstanding the 2% decrease in average net earning assets, net financing revenue of $101.3 million for the quarter increased slightly more than 2% compared with both the prior quarter and prior year. The resulting NIM increases of 13bps and 26bps from Q3 2019 and Q4 2018, respectively, are reflective of the continued growth of assets derived from higher yield geographies within our portfolio.

Net servicing income for Q4 2019 was $128.8 million, representing an increase of $6.6 million over Q3 2019, mainly driven by higher revenues across multiple products, as well as the impact of seasonally lower maintenance and titling volumes in Q3 2019. Year-over-year performance showed similar growth, excluding the seasonal impact: an increase of $9.3 million, or 8%, over Q4 2018 across numerous products resulting from continued progression in transformation initiatives as well as organic growth in our US and Canadian businesses.

The Company syndicated $964.0 million of assets in Q4 2019, significantly higher than volumes in previous quarters, reflecting an increase in Armada activations. As a result, syndication revenue increased $4.5 million compared with Q3 2019 and $25.3 million from Q4 2018.

We continue to strengthen our understanding of the market for our assets and build our syndication capabilities. Syndication activity remains a strong recurring source of revenue; however, Q4 2019 volume was higher than our expected quarterly volumes going forward. Q4 2019 volume drove the syndication revenue increase in the quarter. This volume increase was a result of the initial ramp up in Armada as well as improvements in our operational effectiveness.

Adjusted operating expenses were relatively flat compared with Q3 2019, driven mainly by transformation.

- Transformation savings in salaries, wages and benefits were partially offset by higher pay-for-performance costs on a year-over-year basis.

- Depreciation and amortization was higher in Q4 2019 compared with Q4 2018 due to the implementation of IFRS 16. The increase is partially offset by a decrease in general and administrative expenses.

**Commentary on Annual Core Results**

Fleet Management finished the year with $16.7 billion assets under management, an increase of $1.0 billion, or 6%, from $15.7 billion at December 31, 2018. On a constant currency basis, the year-over-year increase was approximately $1.7 billion, or 11%. This reflects strong growth across all geographies and the impact of Armada which ramped up through 2019.

Average net earning assets decreased slightly for the year ended December 31, 2019 as a result of syndication, offset by strong growth in originations. Despite the lower average earning assets, net financing revenue increased by $7.6 million to $405.5 million. The increase in NIM to 3.25% from 3.16% year-over-year is the result of the growth of our portfolio in higher yield geographies.

Net servicing income for the year ended December 31, 2019 was $493.1 million, $37.7 million higher than for the year ended December 31, 2018, driven by both benefits derived from our transformation program and strong organic growth across a number of product lines.

Syndication revenue of $89.6 million grew significantly from the prior year, largely driven by volume which increased by $2.3 billion to $2.9 billion, reflecting the growth in Armada as well as our strategic decision to deleverage our balance sheet.

Adjusted operating expenses of $467.1 million for the year ended December 31, 2019 decreased by $11.0 million from $478.1 million for the prior year. Transformation-related initiatives drove $37.7 million in operating expense savings for the year. Salaries, wages and benefits savings were partially offset by merit and bonus increases as well as increases in headcount to support our rapid growth in Mexico, syndication, and Armada. Additionally, the implementation of IFRS 16 resulted in a year-over-year increase in depreciation and amortization that was largely offset by a decrease in general and administrative expenses.

The resulting adjusted operating income was $521.1 million for the year ended December 31, 2019, which represents a 34.6% increase from $387.1 million for the year ended December 31, 2018.

**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 first quarter of 2020. The dividend will be paid on April 15, 2020 to shareholders of record as at the close of business on March 31, 2020.

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 | March 13, 2020 | March 31, 2020 |
| Series C | EFN.PR.C | $0.388130 | March 13, 2020 | March 31, 2020 |
| Series E | EFN.PR.E | $0.368938 | March 13, 2020 | March 31, 2020 |
| Series G | EFN.PR.G | $0.406250 | March 13, 2020 | March 31, 2020 |
| Series I | EFN.PR.I | $0.359375 | March 13, 2020 | March 31, 2020 |

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 I reflect on what we achieved in 2019 and, as a consequence, how well Element is positioned for 2020 and beyond, I see a clear ratification of one of my strongest beliefs as a chief executive officer - the power of strategic focus: setting clear strategic objectives that make the most of one's opportunities and strengths, and then concentrating the entirety of the company's resources on their attainment.

Our unwavering focus on creating a consistent, superior client experience has led to immediate and significant improvements in our operational effectiveness, productivity and employee engagement. This has, in turn, led to a dramatic improvement in client retention and net promoter scores, a 35% increase in adjusted operating income and a true investment-grade balance sheet. These results, coupled with the strong organic growth prospects we shared last quarter, are so compelling that I am more convinced than ever that diverting our finite resources into anything else but transforming and growing our core business would be a mistake.

This means we will continue to forgo anything that could distract us from our fleet management business, such as expansion by acquisition. It also means walking away from 19th Capital, after our multiple attempts to salvage meaningful value for our shareholders from this venture have been unsuccessful.

**A Turning Point**

While this detached approach of triaging and/or abandoning unsalvageable ventures such as 19th Capital may now seem self-evident to me, it was not always the case.

It is one thing to learn about the concept of sunk cost in accounting school, as I did some four decades ago at Dalhousie University. It is quite another to make the decision as an executive to stop putting further time, effort and money into a struggling business even when the textbooks and spreadsheets say that's the right thing to do.

As an executive with a strong sense of responsibility and accountability, it struck me as almost cavalier or irresponsible to not attempt to rescue an investment that had gone awry even if corporate resources might be better deployed elsewhere. My natural instinct was to fight to the end to fix a problem asset. After all, I've made my career as a turnaround guy.

The turning point for me came as I was working in the telecommunications industry when the telecom bubble burst. Suddenly, all manner of investments that had once seemed promising were now sunk costs. There was no way to turn them all around - and moreover, no point. The market was moving against these investments. Better to feed and nurture the businesses that would thrive in the future.

Even knowing it is the right thing to do does not make it any easier to tell you, my fellow shareholders, that we are taking another write-down on 19th Capital to a level that signals we don't see any further meaningful value for Element in this asset.

The market for the heavy trucks that 19th owns has moved against us. The sales process we launched made it clear there is little prospect of a sale of 19th or its trucks that will meaningfully generate cash for Element. So, we are accelerating our run-off and ramping up the liquidation of 19th.

While this is not the outcome we had planned for, to be sure, it drives home the importance of the strategic decision we made early on to focus on our core business, where the greatest opportunity lies, while extricating Element from non-core ventures.

I take some comfort from the fact that, while we weren't able to fix the problems we inherited, the $740 million of value we have written off related to 19th Capital since I joined Element is far exceeded by the $3.7 billion in shareholder value we have created.

What's more, the balance sheet effect of this decision will be quickly offset by the powerful cash generation of our fleet business - so much so that the cash flow from our core business necessitates a decision as to the best way to deploy this excess capital in the not-so-distant future.

If I were to go back to Dalhousie someday to teach future CEOs about the concept of a sunk cost, 19th Capital would be my leading example.

**Tuning for High Performance**

In closing, 2020 is - for Element - all about "Building for the Future". That future is our core fleet management business, building on our successes such as transformation, syndication and Armada, and delivering on our clearly articulated plan to drive 4% to 6% annual net revenue growth. We will do that through organic growth based on the sheer power of our now-solidified platform and leading market position.

I've always been a car lover, so if you'll permit me, I will leave you with an automotive analogy: For me, Element was like a barn find… a classic car with an impeccable pedigree in a neglected condition. My time to date - and the remainder of 2020 - is focused on restoring that car to a pristine state; making it truly roadworthy. And once completed, I can't wait to see what that car can do on the open road.

Until next quarter,

Jay Forbes
President & Chief Executive Officer
Element Fleet Management

**Conference Calls and Webcasts**

A conference call to discuss these results will be held on Tuesday, February 25, 2020 at 6:00 p.m. Eastern Time. The conference call and webcast may be accessed as follows:

- Webcast: http://services.choruscall.ca/links/elementfleet20200225.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 March 25, 2020 by dialing 1-800-319-6413 or +1-604-638-9010 and entering the access code 4043.

**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 financial statements for the year and quarter ended December 31, 2019.

Element's consolidated financial statements and related management discussion and analysis as at and for the year ended December 31, 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. Elements 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.

Contact:

Michael Barrett
Vice President, Investor Relations
(416) 646-5698
mbarrett@elementcorp.com

*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 Elements 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.*