



News Release

Element Fleet Management reports Q1 After-Tax Adjusted Operating Income of \$100 Million
- Total Finance Assets now \$15.2 Billion -
- Q1, 2017 Adjusted Basic EPS of \$0.24 excluding share of loss from joint venture -

TORONTO, Ontario, May 10, 2017 - Element Fleet Management Corp. (TSX:EFN) (“Element” or the “Company”), the world’s largest publicly traded fleet management company and a leading fleet-focused business services provider, today reported financial results for the Company’s continuing operations for the three-month period ending March 31, 2017.

“We delivered a solid quarter, with key revenue drivers showing improvements as the quarter progressed”, said Bradley Nullmeyer, Element’s Chief Executive Officer. “Our services revenue continues to increase as a percentage of total revenue, net interest margin yield increased sequentially, and we expect our overall performance to continue to improve as we progress throughout the year”.

Key financial data for the quarter ended, and as at, March 31, 2017:

For proper year-over-year comparison of quarterly results presented below, readers are advised to consult the *Note on Comparative Presentation* at the end of this Press Release and related disclosure in the Management Discussion & Analysis (“MD&A”) that accompanies the financial statements for the quarter ended March 31, 2017.

- After-tax adjusted operating income (as defined in the MD&A) was \$100 million, relatively flat compared to Q4 2016 and a decrease of 10% compared to Q1 2016.
- After-tax adjusted operating income per share was \$0.24, consistent with Q4 2016 and a decrease of 7.7% compared to Q1 2016.
- Service and other revenue of \$143.3 million grew on a sequential quarter basis by 2.2%, and represented ~61% of net revenue.
- Net interest and rental revenue declined sequentially to \$90.9 million, however, net interest margin yield improved to 2.7% by 4 basis points from the prior quarter.
- After-tax adjusted return on tangible equity was ~22%.
- Tangible leverage was 7.7:1, a slight increase sequentially and up from 4.1:1 as at March 31, 2016.
- Total finance assets were \$15.2 billion compared with \$14.9 billion as at December 31, 2016.
- Originations were \$1.7 billion, in line with the prior quarter and the same period of last year.
- Element recorded a \$10.2 million before tax operating loss of its share of start-up losses related to 19th Capital. Adjusted operating income and related EPS exclude the impact of the operating losses related to this joint venture.

During the quarter, the company completed the integration in the US, and all customers are now on the same technology platform. Post integration activities are currently underway, and are expected to conclude in the second quarter.

“All of our customers now benefit from Element’s Xcelerate platform, and our technology and operations teams continue to work diligently on completing this final phase”, said Dan Jauernig, Element’s President and Chief Operating Officer.

Dividends Declared

The Company’s Board of Directors has authorized and declared a quarterly dividend of \$0.075 per outstanding common share of Element for the second quarter of 2017. The dividend will be paid on July 14, 2017 to shareholders of record at the close of business on June 30, 2017. These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

The Company’s Board of Directors also declared the following dividends on Element’s preferred shares:

A quarterly dividend of \$0.41250 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series A (TSX: EFN.PR.A) payable on June 30, 2017 to shareholders of record on the close of business on June 16, 2017. The dividend payment is for the quarterly period up to but excluding June 30, 2017.

A quarterly dividend of \$0.40625 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series C (TSX: EFN.PR.C) payable on June 30, 2017 to shareholders of record on the close of business on June 16, 2017. The dividend payment is for the quarterly period up to but excluding June 30, 2017.

A quarterly dividend of \$0.40 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series E (TSX: EFN.PR.E) payable on June 30, 2017 to shareholders of record on the close of business on June 16, 2017. The dividend payment is for the quarterly period up to but excluding June 30, 2017.

A quarterly dividend of \$0.40625 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series G (TSX: EFN.PR.G) payable on June 30, 2017 to shareholders of record on the close of business on June 16, 2017. The dividend payment is for the quarterly period up to but excluding June 30, 2017.

These dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

Conference Call

A conference call to discuss the results with analysts will be held on Wednesday, May 10, 2017 at 8:30 a.m. Eastern Time. The conference call can be accessed by dialing the following numbers:

North America Toll-Free: 1-800-806-5484 passcode 1186771#

Local: 416-340-2217 passcode 1186771#

International dial-in numbers: <https://www.confsoptions.ca/ILT?oss=7P1R8008065484>

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 June 10, 2017 by dialing 1-800-408-3053 or 905-694-9451 and entering the pass code 6676518#.

Note on Comparative Presentation

On February 16, 2016, the board of directors of Element Financial approved a plan to separate Element Financial into two publicly traded companies (the "Separation"): ECN Capital Corp. and the Company.

As a result of the Separation, the Company adopted IFRS 5, Non-current Assets Held for Sale and Discontinued Operations and IFRIC 17, Distribution of Non-Cash Assets to Owners. In accordance with IFRS 5, the Company has presented assets and liabilities of distributed operations separately from other assets and liabilities in the statement of financial position at December 31, 2016 and September 30, 2016, and the Company has not reclassified or re-presented amounts for periods prior to September 30, 2016. For the statement of operations, the Company, has separated distributed operations as a single amount from continuing operations and has reclassified and re-presented each period and related note disclosure.

Management believes both the assumptions and the allocations underlying the Company's financial statements for the comparative period ended March 31, 2016 are reasonable. However, as a result of the basis of presentation described above, the March 31, 2016 financial statements may not be indicative of what the Company's results of operations and cash flows would have been if the business had operated as a stand-alone company.

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 Press 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 quarter ended March 31, 2017.

Element's unaudited interim condensed financial statements and related management discussion and analysis as at and for the three-month period ended March 31, 2017 have been filed on SEDAR (www.sedar.com).

About Element Fleet Management Corp.

Element Fleet Management (TSX: EFN) is a leading global fleet management company, providing world-class management services and financing for commercial vehicle and equipment fleets. Element's suite of fleet management services span the total fleet lifecycle, from acquisition and financing to program management and remarketing – helping customers optimize performance and improve productivity. For more information, visit www.elementfleet.com

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This 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 business growth, developing strategy, Element's ability to create value for shareholders, the payment of dividends, the availability of funds from operations and capital allocation, business integration and the implementation of the Xcelerate platform, the evolution of operations and the development of performance indicators, and the achievement of other financial performance and metrics. 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 relating to the integration of previous acquisitions 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 current MD&A, and Annual Information Form, all of which have 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.