News Release

Amounts in $CAD unless otherwise noted

Element Reports Solid Third Quarter Results and Strong Early Progress on Customer-Focused Transformation

- *After-tax adjusted Q3 earnings per share of $0.19 for core Fleet Management operations*
- *Strategic transformation plan puts customer needs at the center of all key decision-making*
- *Transformation work has already identified $40 million of run-rate profit improvements to be initiated by year end*
- *Consolidated net loss of $0.93 per share reflects strategic assessment and business transformation costs including one-time write down of 19th Capital portfolio*

TORONTO, Ontario, November 5, 2018 - 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 and nine months ended September 30, 2018 and an update on early wins from the Company's recently-launched transformation initiatives.

The strong earnings power of Element's market-leading fleet platform resulted in after-tax adjusted basic earnings per share of $0.19 from the core fleet business, up from $0.18 in Q3 of last year. On a consolidated basis, the Company reported a net loss of $0.93 a share for Q3 2018. The net loss reflects one-time costs including the write down related to the resolution of 19th Capital and expenses associated with the development and implementation of Element's new strategic plan, announced on October 1.

The transformation of Element under its new strategic plan is taking shape, with the Company identifying $40 million of run-rate profitability improvements it will initiate by year end.

"The steady performance of our core business clearly demonstrates the value of Element's leading platform and customer base. The additional profitability measures we are implementing continue to energize our team and build our confidence that we have the right plan to meaningfully enhance our customers' service experience and the Company's financial performance over the coming years," said Jay Forbes, Chief Executive Officer of Element.

"This is all possible thanks to the hard work of the Element team, and the support of our stakeholders, which we appreciate immensely," Mr. Forbes added. "We know there is much more to do to deliver the full $150 million in profitability improvement that we expect, and we have created the conditions for success by putting in place a comprehensive plan and taking decisive actions to strengthen our business."

For full details of Element's new strategic plan, please see the Company's announcement materials, including its October 1, 2018 press release, management presentation and webcast, on its website at www.elementfleet.com.

Financial Highlights

In $CAD millions, except per share amounts	Three months ended Sept. 30 2018	Three months ended Sept. 30 2017	Nine months ended Sept. 30 2018	Nine months ended Sept. 30 2017
Consolidated Results				
Net income (loss)	**$(341.1)**	$67.2	**$(240.3)**	$156.1
Earnings (loss) per share (basic)	**(0.93)**	0.15	**(0.72)**	0.33
Net revenue	**221.3**	236.3	**652.0**	722.2
Adjusted operating expenses[1]	**123.2**	119.8	**361.4**	358.3
After-tax adjusted operating income attributable to common shareholders[1]	**69.4**	80.7	**207.6**	261.3
After-tax adjusted basic EPS[1]	**0.18**	0.21	**0.55**	0.67
Core Fleet Management Operations				
Net revenue	**220.1**	219.1	**644.4**	655.5
Adjusted operating expenses[1]	**120.7**	118.4	**356.5**	353.8
After-tax adjusted operating income attributable to common shareholders[1]	**70.5**	68.5	**202.8**	208.1
After-tax adjusted operating income per share (basic)[1]	**$0.19**	$0.18	**$0.53**	$0.54
Net Interest Margin (%)	**2.80**	2.77	**2.71**	2.68
Average Earning Assets	**$12,680**	$12,131	**$12,544**	$12,360

1.See Non-IFRS Measures, and the Company's Management Discussion & Analysis ("MD&A") for the three months ended September 30, 2018 for more information.

Core Fleet Management Operations

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

	Three months ended			Nine months ended	
In $CAD millions, except per share amounts	**Sept. 30, 2018**	June 30, 2018	Sept. 30, 2017	**Sept. 30, 2018**	Sept. 30, 2017
Net revenue					
Service and other revenue	**$131.3**	$129.5	$134.9	**$389.3**	$406.7
Net interest and rental revenue	**88.8**	86.3	84.2	**255.1**	248.8
Net revenue	**220.1**	215.8	219.1	**644.4**	655.5
Adjusted operating expenses					
Salaries, wages and benefits	**80.7**	81.3	80.0	**243.6**	232.4
General and administrative expenses	**33.7**	28.3	34.6	**95.4**	110.0
Depreciation and amortization	**6.2**	6.0	3.9	**17.4**	11.4
Adjusted operating expenses	**120.7**	115.7	118.4	**356.5**	353.8
Adjusted operating income	**99.4**	100.1	100.7	**287.9**	301.7
Provision for taxes applicable to adjusted operating income	**17.9**	18.0	21.1	**51.8**	63.4
After-tax adjusted operating income	**81.5**	82.1	79.5	**236.0**	238.3
Less: Cumulative preferred share dividends	**11.1**	11.1	11.1	**33.2**	30.2
After-tax adjusted operating income attributable to common shareholders	**$70.5**	$71.0	$68.5	**$202.8**	$208.1
Weighted average number of shares outstanding (basic)	**380.6**	380.5	384.9	**380.5**	387.2
After-tax adjusted operating income per share (basic)	**$0.19**	$0.19	$0.18	**$0.53**	$0.54

Service and other revenue of $131.3 million in Q3 2018 declined 2.7% from Q3 2017 but increased 1.4% sequentially, reflecting improving customer retention trends which are expected to continue to return to their normal historical levels.

Net interest and rental revenue of $88.8 million increased 5.5% from Q3 2017 and 2.9% from Q2 2018. The increase over Q2 2018 was driven by one-time gains and the benefits of the higher interest rate environment, and was partially offset by lower interim rent and higher non-interest finance charges. Net interest and rental revenue margin (NIM) was 2.80% in Q3 2018, as compared with 2.73% in Q2 2018 and 2.77% in Q3 2017.

Adjusted operating expenses in Q3 2018 were $120.7 million, an increase of 1.9% compared to Q3 2017, and an increase of 4.3% on a sequential basis. The increase over both periods was primarily related to higher IT related costs. Operating expenses are expected to decline over time as the Company executes on its transformation plan.

Adjusted operating income for Q3 2018 was $99.4 million, a decrease of 1.2% from Q3 2017 and a decrease of 0.7% over the immediately preceding quarter, both for the reasons noted above.

Non-core Assets

Element's new business plan puts the focus squarely on its core fleet business customers and will result in a stronger and more efficient organization. As previously communicated, Element incurred an after-tax charge of $360 million against the 19th Capital business this quarter, and the portfolio will be run-off over the next 36 months. In addition, Element continues to advance its plans to sell its interest in other non-core assets and real estate. At September 30, 2018, non-core assets represented approximately 3% of Element's total assets.

Non-core operations contributed $1.1 million of net revenue and $1.1 million in after-tax adjusted operating loss in the third quarter of 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 fourth quarter of 2018. The dividend will be paid on January 15, 2019 to shareholders of record as at the close of business on December 31, 2018.

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	$0.412500	December 14, 2018	December 31, 2018
Series C	EFN.PR.C	$0.406250	December 14, 2018	December 31, 2018
Series E	EFN.PR.E	$0.400000	December 14, 2018	December 31, 2018
Series G	EFN.PR.G	$0.406250	December 14, 2018	December 31, 2018
Series I	EFN.PR.I	$0.359375	December 14, 2018	December 31, 2018

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 has adopted a dividend reinvestment plan (the "Plan") to be administered by Computershare Trust Company of Canada (the "Plan Agent") which will become effective beginning with the fourth quarter dividend of 2018. The Plan provides eligible registered and beneficial shareholders an opportunity to reinvest their eligible cash dividends payable on common shares of the Company ("Common Shares") for additional Common Shares at a discount of 2% to the prevailing market price of the Common Shares on the Toronto Stock Exchange, which discount may be changed or eliminated by the board of directors of Element from time to time. 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.

Shareholders who hold their Common Shares through a broker or financial institution and wish to enroll in the Plan should contact their broker or financial institution directly to learn more about the specific procedures and deadlines for enrollment in the Plan applicable to them. Registered shareholders may enroll in the Plan online through the Plan Agent's self-service web portal, Investor Centre, at www.investorcentre.com/service.

CEO LETTER TO SHAREHOLDERS

My Fellow Shareholders,

Element Fleet Management is now firmly established on the new path forward that we first laid out publicly on October 1st. It is also five months since my arrival at Element; a good time to step back and take stock of what we have accomplished, and where we are going.

As a CEO, I value frank communication and transparency - with my team, with customers, and with our investors. As such, this is the first of what will be regular letters from me.

My intent is to build a common base of knowledge and foster a better understanding of our company as we progress with the customer-centric transformation of Element and deliver our anticipated $150 million improvement to annual pre-tax run-rate operating income.

Building on Our Strengths

When I joined Element, I did so with great enthusiasm for its prospects. Today, I am even more optimistic because of all that we have already accomplished to make a good business even better.

We are well underway on our new path forward. We have strengthened and de-risked our balance sheet and taken decisive action to address legacy issues. We are now fully focused on executing our plan to deliver real and lasting profitability improvement by transforming the core business.

Our plan is based on the belief that by delivering a superior customer experience with greater consistency, we will create significant value for all our stakeholders.

We start from a position of strength. Element Fleet Management is a global market leader in the business of fleet services and leasing. We are No. 1 in North America and New Zealand, and top 3 in Australia.

We operate in a well-established, profitable industry with high barriers to entry and a proven resilience to economic downturns.

We are well funded, with an investment-grade balance sheet and ready access to capital. We recently demonstrated this with our highly successful equity issuance.

We produce strong cash flow, and we have blue-chip customers with excellent counterparty credit dynamics. Finally, our growth prospects are compelling.

Making transformative changes atop these foundational strengths will result in the best served customers in the industry, a highly engaged workforce of top talent, and significant improvement in both magnitude and quality of our earnings.

Meaningful Change Underway

The reception of our strategic plan has been gratifying. A new optimism about Element's future is evident in the valuation of the company, as well as the strong interest in our recent equity issuance.

With a clear endorsement of the new strategy by investors and customers alike, we now shift our attention entirely to executing.

We are well underway on all three legs of our plan.

The first leg involves transforming the fleet management business to generate meaningfully enhanced profitability. I am pleased to say we are advancing toward that goal steadily, having already identified $40 million of run-rate profitability improvements we will initiate by year end.

We are forging ahead with the second leg of the plan – a repositioning of our 19th Capital joint venture, which had been an overhang on the stock and a distraction for management. We have concluded our purchase of all of 19th Capital, installed a new board and CEO, and are now implementing our resolution plan for this business.

The third leg is strengthening the balance sheet. Here too we have already advanced many of the key initiatives.

We have raised gross proceeds of $300 million in a well-received equity issuance to offset the financial impact of the 19th Capital resolution plan. In addition to bringing in capital, this offering deepened (and broadened) our shareholder base.

We have reduced our dividend by 40% and instituted a dividend reinvestment program. This will fund the $150 million investment our value-creating transformation requires. And we are moving ahead with targeted dispositions to exit non-core asset positions.

Three Waves

For 2018, the transformation plan is focused on securing *Quick Wins*. These build capabilities, capacity and confidence as we commit ourselves to getting the change agenda off to a great start. And we are off to a strong beginning.

As I said earlier, we expect to exit 2018 with $40 million in annual run rate profitability improvements actioned. Put in perspective, that represents almost one third of our goal and approximately 10% of our $383 million in core segment earnings over the last 12 months up to Sept. 30.

This first wave is comprised of more than 50 small projects. These include organizational redesign, revenue assurance, supplier management and the re-prioritization of capital projects.

We are making good progress. We are currently finalizing a complete overhaul of the organizational structure that will bring our leaders closer to our customers, facilitate faster decision-making and foster greater collaboration and information sharing. We are today a more streamlined organization than just a few months ago, with less duplication, and significant cost savings.

We have also rebuilt the Executive Team. With one more hire, I will have completed a ten-person Executive with the full range of skills and experience we need to guide this organization through our ambitious change agenda while operating a market-leading fleet business.

In 2019 we will transform our processes and infrastructure to better serve customers. We refer to this second wave as going *Back to Basics*.

We have identified more than 25 initiatives for 2019 that will take us to action a cumulative $100 million of increased annual pre-tax run-rate profitability improvements by the end of that year.

The second wave includes improving customer service delivery, optimizing our go-to-market strategy and pricing model, improving customer acquisition and retention, streamlining and simplifying operations, and enhancing rebate and procurement management.

In 2020, we will pivot to growth as we *Build for the Future.*

The result is that we will be in a position to exit 2020 with the full $150 million in annual pre-tax run-rate profitability improvements actioned, as we anticipated.

De-Risking the Transformation

We are de-risking the execution of this transformation program by avoiding a complex, “silver bullet”-style solution. Instead of one large, complicated “fix”, we are undertaking a series of 80 to 100 smaller projects over the next two years.

Also, we recognize that many of these transformation programs go awry, so we completed a diagnostic to better understand what has prevented Element from enjoying success with past change initiatives.

Finally, we identified and instituted key enablers to materially lower execution risk.

The biggest such enabler may be our Transformation Management Office, which is fully up and running.

The TMO is a group of experts – industry experts from within Element, and experts on transformations from our consulting partners. Together, they are the air traffic controllers for our transformation. They create and manage the priority workstreams, marshal the resources, identify barriers and challenges that need to be overcome, and ensure we maintain the required tempo of change.

Working from all our main U.S. and Canadian sites, the TMO tracks progress on each of our workstreams, demanding regular updates and accountability for tasks. If something is at risk of falling behind, the TMO's job is to find a way to keep it moving forward.

Each week the Executive team gathers with the TMO team for a debrief on our progress, to resolve any issues that have arisen and make the necessary decisions to maintain momentum.

We have also implemented a comprehensive change management approach and are training (and supporting) our Managers in effective change management.

We are aligning incentive compensation throughout the organization to the attainment of results. From the executives we have recently hired, to customer-facing employees, we are instituting a stronger pay-for-performance ethos.

Accountability

Simply put, we are transforming all aspects of our company.

Rather than trying to be all things to all people, we will consistently deliver on our core promise to customers by increasing service levels.

Where Element before had barriers to collaboration, we are shifting as I write to a culture of accountability and clarity.

We are moving from a dispersed, regional structure to one unified around what the customer needs.

We are focused on renewing our culture and invigorating our employees to make our team performance- and purpose-driven.

And we will be far more focused and disciplined in our investments.

As we do this, all of us at Element expect to be held accountable for every action and every outcome. I look forward to updating you on our continued progress in future letters.

Sincerely,

Jay Forbes
Chief Executive Officer
Element Fleet Management

Conference Call and Webcast

A conference call to discuss these results will be held on Tuesday, November 6, 2018 at 8:00 a.m. Eastern Time. The conference call and webcast may be accessed as follows:

- Webcast: http://services.choruscall.ca/links/elementfleet20181106.html
- North America Toll-Free: 1-800-319-8560
- International: 1-604-638-5345
- Passcode 86810#

The webcast will be available on our website for three months. A recording of the conference call may be accessed through December 6, 2018 by dialing 1-604-638-9010 and entering the access code 2707#.

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 June 30, 2018.

Element's unaudited interim condensed financial statements and related management discussion and analysis (MD&A) as at and for the three and nine-month periods ended September 30, 2018 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 customer 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 customers 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 customers' service experience and service levels; enhancement of financial performance; improvements to customer 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; 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; 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 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.*