



News Release

Element Fleet Management reports on transformational year, with \$1.00 adjusted basic EPS, and triples its dividends per common share

TORONTO, Ontario, March 9, 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 twelve-month and three-month periods ending December 31, 2016.

Element also announced that its Board of Directors approved management’s recommendation for a threefold increase in its annual dividend to \$0.30 per common share (\$0.075 per common share on a quarterly basis, to be paid on April 13, 2017 to shareholders of record at the close of business on March 31, 2017). Element estimates the annual cash payment of the quarterly dividend to common shareholders to be approximately \$116.4 million, compared to approximately \$38.6 million paid in 2016.

The increase in the quarterly dividend reflects confidence in the Company’s ability to generate significant funds from operations and is part of Element’s overall strategy of efficient capital allocation. The Company will manage its capital to balance prudent investments, both organic and inorganic, to propel its business growth forward, while maintaining disciplined balance sheet management and attractive return to shareholders.

“This was a year of transformation for Element: we successfully completed the separation announced in February 2016 and created a global fleet-focused business services provider, with a balance sheet, technology platform and suite of products to strengthen our leadership position and accelerate our growth further. During this time of change, we also continued to advance toward our strategic and financial goals,” said Bradley Nullmeyer, Element Fleet Management’s Chief Executive Officer. “As we look ahead, we remain committed to growing our business and serving our customers, while creating increasing and sustainable long-term value for our shareholders,” added Mr. Nullmeyer.

Since 2012, Element has acquired four major players in the fleet management industry. The Company made a major leap in completing the integration of these milestone acquisitions. “With integration largely complete and a very successful migration of all our customers onto Xcelerate, in 2017 we will demonstrate the full potential of our new platform to deliver unmatched value for our customers and drive continued growth in our business,” added Daniel Jauernig, Element’s President and Chief Operating Officer.

Key financial highlights for the year ended, and as at, December 31, 2016 include:

- After-tax adjusted operating income was \$421.4 million, of which \$385.8 million or \$1.00 per share (basic) was attributable to common shareholders, up 45% from \$0.69 reported in 2015.
- Net interest income and rental revenue, net of interest expense and provision for credit losses, grew by 52% to \$422.9 million.
- Service and other revenue grew by 96% to \$513.7 million and represented 55% of total revenue (net financial income) compared with 49% in the previous year.
- After-tax adjusted return on tangible equity was 24.1% versus 21.5% for the previous year.
- Tangible leverage was 7.6:1 as at December 31, 2016 up from 4.1:1 as at December 31, 2015.
- Total earning assets were \$13.97 billion versus \$14.62 billion as at December 31, 2015.
- Originations were \$6.6 billion compared with \$4.7 billion in the previous year.

“Element delivered solid financial results in 2016 while also successfully achieving all of its strategic objectives. Performance during the year was predictably impacted by some one-time costs related to the integration and separation, and these are largely behind us,” said Samir Zabaneh, Element’s Chief Financial Officer. “As Element’s operations continue to normalize, among our priorities for 2017 is to revise our key performance indicators to reflect our transition to a fleet-focused business services provider,” concluded Mr. Zabaneh.

Dividends Declared

As noted earlier in this release, the Company's Board of Directors has authorized and declared a quarterly dividend of \$0.075 per outstanding common share of Element for the first quarter of 2017. The dividend will be paid on April 13, 2017 to shareholders of record at the close of business on March 31, 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 \$0.4125 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series A (TSX: EFN.PR.A) payable on March 31, 2017 to shareholders of record on the close of business on March 20, 2017. The dividend payment is for the quarterly period up to but excluding March 31, 2017.

A quarterly dividend of \$0.40625 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series C (TSX: EFN.PR.C) payable on March 31, 2017 to shareholders of record on the close of business on March 20, 2017. The dividend payment is for the quarterly period up to but excluding March 31, 2017.

A quarterly dividend of \$0.40000 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series E (TSX: EFN.PR.E) payable on March 31, 2017 to shareholders of record on the close of business on March 20, 2017. The dividend payment is for the quarterly period up to but excluding March 31, 2017.

A quarterly dividend of \$0.40625 per outstanding Cumulative 5-Year Rate Reset Preferred Share, Series G (TSX: EFN.PR.G) payable on March 31, 2017 to shareholders of record on the close of business on March 20, 2017. The dividend payment is for the quarterly period up to but excluding March 31, 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 Thursday, March 9, 2017 at 5:30 p.m. Eastern Time. The conference call can be accessed by dialing the following numbers:

North America Toll-Free: 1-800-806-5484 passcode 3967587

Local: 416-340-2217 passcode 3967587

International dial-in numbers: <https://www.confsolutions.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 April 9, 2017 by dialing 1-800-408-3053 or 905-694-9451 and entering the pass code 2735444.

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 December 31, 2016.

Element's unaudited interim condensed financial statements and related management discussion and analysis as at and for the three-month and twelve-month periods ended December 31, 2016 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

Contact:

Samir Zabaneh
Chief Financial Officer
(416) 646-4350
szabaneh@elementcorp.com

Olena Lobach
Investor Relations Advisor
(416) 386-1067 x2339
olobach@elementcorp.com

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 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.