



Q2-2017 Review & Financial Results

Element Fleet Management





Agenda

- Long-Term Shareholder Value Creation
- Operations Update
- Financial Review
- Long-Term Shareholder Value Creation

A nighttime cityscape viewed from the driver's perspective inside a car. The car's side mirror and window frame are visible on the right. The city lights are reflected in the water of a river or bay in the distance.

Bradley Nullmeyer CEO

Long -Term Shareholder Value Creation

Long-Term Shareholder Value Creation

Delivering For The Future

- Segmented Core Fleet Management Operations during the quarter (~\$12.5B of assets, 92%)
 - Increased transparency and focus on Core Fleet
 - Delivered \$0.18 EPS (\$0.36 YTD)
 - 2017 guidance of \$0.71 to \$0.73 for Core Fleet only
 - Strong originations during the second quarter of \$1.9B (15% growth year over year)
 - \$0.075 dividend per common share declared in the quarter
 - NCIB utilized to purchase 1.3M shares at approximately \$8.80 average price
 - Intention to apply to TSX to add Preferred Shares and Convertible Debentures to NCIB
 - Closed ABS funding in size and with effective cost of funds – now a programmatic issuer with many new investors
- Increased concentration on post integration efficiencies

Prudent manager of capital, focused on balancing investment in growth, both organic and inorganic, and return of capital to shareholders

Long-Term Shareholder Value Creation

Delivering For The Future

- Segmented Non-Core Operations (~\$1.4B of assets, 8%)
 - Increased transparency
 - Delivered \$0.05 EPS during quarter (\$0.11 YTD)
 - No guidance provided for 2017 due to timing uncertainty of earnings
 - Each category carries strategic plan to optimize value
 - Capital will be returned to stakeholders including retirement of debt and/or share buyback
 - Most significant asset is 19th Capital Joint Venture (“JV”) debt and equity. Recorded \$30M provision during the quarter to provide flexibility to expedite portfolio efficiencies

Prudent manager of capital, focused on balancing investment in growth, both organic and inorganic, and return of capital to shareholders

Long-Term Shareholder Value Creation

Element Fleet Management Corp. (TSX:EFN)

Element Fleet Management is a leading global fleet management company, providing world class services and financing for commercial vehicle fleets

- Market leadership in North America and an industry leading position in Australia and New Zealand
- Driven by technology and analytics and benefiting from a large-scale integrated services platform
- Superior ability to capture opportunities in the fleet management services industry
- Highly experienced leadership and operations teams in all countries
- Deep and long-term customer relationships, combined with technology investment driving long-term value creation
- High quality of assets reflected in investment-grade credit ratings (A-, BBB+) to support financing options
- Free cash flow sufficient to fund future growth and return of capital to shareholders

Long-Term Shareholder Value Creation

Global Capabilities: 3+ Million Vehicles



Canada
USA
Mexico



Austria
Belgium
Brazil
Chile
China
Czech Republic
Denmark
Finland
France
Germany
Greece
Hungary
India
Italy
Luxembourg
Morocco
Netherlands
Peru
Poland
Portugal
Romania
Russia
Slovakia
Spain
Sweden
Switzerland
Turkey
United Kingdom



Colombia
Ecuador



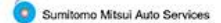
Ireland



Botswana
Ghana
Lesotho
Mozambique
Namibia
South Africa
Swaziland
Tanzania
Zambia



Serbia



Japan
Thailand




Australia
New Zealand

Element-Arval
 Partner Countries



Argentina
Uruguay



A nighttime photograph taken from the driver's perspective inside a car. The view is through the windshield and side window, showing a city skyline with illuminated skyscrapers and a bridge over a river. The car's interior, including the side mirror and dashboard, is visible in the foreground.

Daniel Jauernig *President and COO*

Operations Update

Non-Core Assets Update

19th Capital

- As part of the separation, Element Fleet retained certain former “fleet-like” assets of Element Financial’s C&V division
- Strategy was to increase the penetration of our fleet service offerings to this heavy duty truck portfolio
- In late Q4/2016, the JV was formed with Celadon and Element contributing its truck leasing portfolios to the JV, Element’s contributed portfolio was funded over the previous four years
- Total assets of the JV are ~\$1.5B, Element and Celadon each own 49.99% of the JV, creating a large scale heavy duty truck fleet leasing business
- Incurred a non-cash \$10.9M loss from our share of the JV in the quarter, operating losses improved to \$8.2M in Q2 from \$10.0M in Q1/2017
- Recorded a \$30.0M reserve (non-cash) against the carrying value of our investment to allow the JV flexibility to execute on its strategy of optimizing the portfolio on an expedited basis
- The JV has been classified as a Non-Core asset. The sole goal is to optimize the value of our investment in the JV and use the capital received from these initiatives to enhance our capital structure and return capital to stakeholders

North American Post Integration Update

- In January, we successfully migrated all of GE Fleet's U.S. and Canadian customers and portfolio onto Element's new and enhanced fleet management system ("FMS")
- All former GE Fleet customers have been live on Xcelerate and Driver Xcelerate since February and have gone through six complete billing cycles on Element's FMS
- In Q1, immediately after the migration, we experienced some backlogs (such as interim funding) as former GE Fleet customers, suppliers and employees became familiar with Element's FMS, this improved significantly throughout Q2
- Additional training and support have been provided to all FMS users and backlogs are returning to historical performance levels
- Post integration activities are winding down, with increased focus on improving operational performance and gaining efficiencies

Business Update

- Total earning assets (including interim funding), on a currency neutral basis, grew by 4.3% on a YTD basis in 2017 compared to Q4/2016
- Originations in Q2/2017 were \$1.9B, up significantly from \$1.4B in Q1/2017 and up 15.2% compared to Q2/2016
- We have a solid pipeline of customer vehicle orders for delivery in second half of 2017
- Examples of new customer wins includes expanding our relationship with Shell Global to include their U.S. fleet of 3,300 vehicles and Johnson Controls from 12,000 to over 20,000 vehicles
- On July 20th, we announced that our customers have the option to integrate data provided by GM OnStar directly into Element's Xcelerate platform
- New prospect list is solid and executing on just a few of the larger prospects would generate significant incremental volume in 2018
- Increasing interest from our customers to leverage the data from the connected vehicles in their fleet

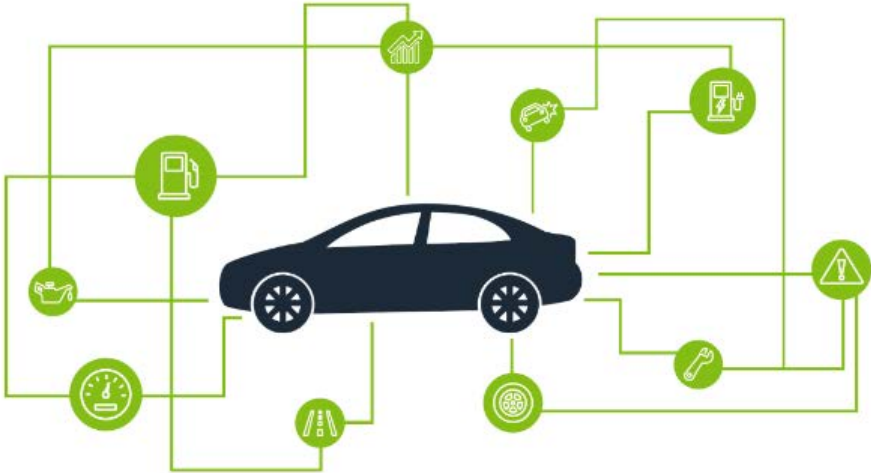
Connected Data

Creates new ways to connect to Element
Integrates data provided by GM OnStar to deliver fleet insights

Choice in connection and data packages bundled based on key customer needs

Simplified logistics through OEM embedded hardware solution or after-market device

Data integration into Xcelerate



Insights to improve safety, vehicle life, and reduce costs

A nighttime cityscape viewed from the driver's perspective inside a car. The car's side mirror and window frame are visible in the foreground. The city lights are reflected in the water of a river or bay in the distance.

Samir Zabaneh

CFO

Review of Financial Results

Consolidated Earnings Per Share

In millions, except per share amounts and where otherwise noted

	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Basic ⁽¹⁾	\$0.17	\$0.07	\$(0.01)	\$0.11	\$0.07
Fully diluted ⁽¹⁾	\$0.17	\$0.07	\$(0.01)	\$0.11	\$0.07
After-tax adjusted operating income per share	\$0.25	\$0.25	\$0.24	\$0.24	\$0.23
After-tax proforma diluted adjusted operating income per share	\$0.24	\$0.24	\$0.22	\$0.22	\$0.22
Number of shares – basic	386.3	386.7	386.9	387.7	389.0
Number of shares – Fully diluted	390.6	390.6	386.9	392.4	391.3
Number of shares – Proforma diluted	433.4	435.7	446.2	445.8	446.1

(1) From continuing operations

Key Operating Metrics

As of and for the three months ended June 30, 2017

In millions, except per share amounts and where otherwise noted

	Core Fleet Management	Non-Core Assets	Total
Net earning assets	\$12,391.0	\$1,261.8	\$13,652.8
Net revenue	\$224.5	\$23.0	\$247.5
Adjusted operating expenses	\$121.5	\$1.6	\$123.1
Share of loss from 19th Capital	-	\$10.9	\$10.9
Provision in 19th Capital	-	\$30.0	\$30.0
After-tax adjusted operating income (to common shareholders)	\$71.1	\$18.4	\$89.5
After-tax adjusted operating income per common share	\$0.18	\$0.05	\$0.23

Non-Core Assets

Asset Breakdown as of June 30, 2017

In millions, except per share amounts and where otherwise noted

Category	Description	Total Assets
19 th Capital Group LLC	Senior term loans (A&B) and revolver equipment loan	\$824.5
19 th Capital Group LLC	Equity ownership (49.99%)	\$81.4
ECAF I Holding Ltd	32.5% interest in ECAF Holdings Ltd., an indirect owner of ECAF I Ltd., an issuer of rated pooled-aircraft ABS	\$131.5
Rail Notes	100% of the 2016 - Class B notes of Element Rail Leasing LLP	\$30.2
New Zealand Equipment Finance Portfolio	Portfolio of various vehicles and equipment	\$48.6
Heavy Duty Truck Portfolio	Portfolio of Class 8 tractors and trailers in the U.S.	\$227.1
Total		\$1,343.3

Balance Sheet Allocation

Key Criteria and Assumptions

- Target 7.5x tangible leverage ratio in our Core Fleet Management business

Step 1

- Secured Borrowings allocated to non-core assets based on available borrowing base with the remainder of Secured Borrowings allocated to Core Fleet Management

Step 2

- Convertible Debentures allocated to Core Fleet Management as required to achieve 7.5x Tangible Leverage ratio (remainder allocated to non-core assets)

Step 3

- Shareholders' Equity imputed for each of Core Fleet Management and non-core assets
 - 100% of Preferred Shares within Core Fleet Management Shareholders' Equity

Key Output for Q2/2017

In millions, except per share amount and where otherwise noted

Core Fleet Management		
		<i>% of Consol.</i>
Total Finance Assets	\$14,304	91%
Secured Borrowings	\$12,437	94%
Convertible Debentures	\$508	59%
Total Debt	\$12,945	92%
Shareholders' Equity	\$3,821	95%
Less: Goodwill	(\$1,244)	100%
Less: Intangibles	(\$851)	100%
Tangible Equity	\$1,726	90%
<i>Tangible Leverage</i>		7.5x

Non-Core Assets		
		<i>% of Consol.</i>
Total Finance Assets, other Earning Assets + 19th Capital JV Equity	\$1,343	9%
Secured Borrowings	\$813	6%
Convertible Debentures	\$358	41%
Total Debt	\$1,171	8%
Shareholders' Equity	\$192	5%
Less: Goodwill	--	--
Less: Intangibles	--	--
Tangible Equity	\$192	10%
<i>Tangible Leverage</i>		6.1x

Income Statement Allocation

Key Criteria and Assumptions

Revenue

- Services revenue based on actual revenue recognized in the current period related to each segment
- Net interest income and rental revenue is based on actual revenue recognized in the current period with interest expense allocated based on the balance sheet allocation as described in the previous slide

Operating expenses

- Allocated based on actual direct costs as well as an allocation, the aggregate amount of which is 50bps (annualized) of average earning assets, to non-core assets

Key Output for Q2/2017

In millions, except per share amount and where otherwise noted

Core Fleet Management

		<i>% of Consol.</i>
Net Revenue		
Services & Other Revenue	\$143	93%
Net Interest Income & Rental Rev.	\$164	87%
	\$308	90%
Interest Expense	\$83	88%
Net Revenue	\$224	91%
Adjusted Operating Expenses	\$121	99%

Non-Core Assets

		<i>% of Consol.</i>
Net Revenue		
Services & Other Revenue	\$10	7%
Net Interest Income & Rental Rev.	\$24	13%
	\$34	10%
Interest Expense	\$11	12%
Net Revenue	\$23	9%
Adjusted Operating Expenses	\$2	1%

Core Fleet Management Net Revenue

Net Revenue Summary

In millions, except per share amounts and where otherwise noted

Net Revenue	Q2 2016	Q1 2017	Q2 2017
Service and other revenue	\$135.4	\$128.4	\$143.4
Net interest and rental revenue	\$87.1	\$83.6	\$81.1
Total net revenue	\$222.5	\$212.0	\$224.5

Yield to Average Earning Assets

	Q2 2016	Q1 2017	Q2 2017
Net interest and rental revenue	\$87.1	\$83.6	\$81.1
Average earning assets	\$12,511.0	\$12,428.8	\$12,447.9
Net interest and rental revenue margin	2.79%	2.69%	2.60%
Adjusted net interest and rental revenue margin ⁽¹⁾	2.90%	2.82%	2.85%

(1) Adjusted for temporary increase in interim funding

Core Fleet Management Revenue Mix

Continued Growth in Recurring Service Revenue

% of Net Revenue	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Service and other revenue	60.9%	63.1%	62.2%	60.6%	63.9%
Net interest and rental revenue	39.1%	36.9%	37.8%	39.4%	36.1%

Non-Core Assets Net Revenue

Net Revenue Summary

In millions, except per share amounts and where otherwise noted

Net Revenue	Q2 2016	Q1 2017	Q2 2017
Service and other revenue	\$6.6	\$19.1	\$10.2
Net interest and rental revenue	\$20.2	\$7.3	\$12.9
Total net revenue	\$26.8	\$26.4	\$23.0

Yield to Average Earning Assets

	Q2 2016	Q1 2017	Q2 2017
Net interest and rental revenue	\$20.2	\$7.3	\$12.9
Average earning assets	\$1,232.5	\$1,050.3	\$1,312.0
Net interest and rental revenue margin	6.57%	2.80%	3.94%

Consolidated Adjusted Operating Expenses

In millions, except per share amounts and where otherwise noted

Category	Q2 2016	Q1 2017	Q2 2017
Salaries, wages and benefits	\$71.0	\$74.9	\$79.3
General and administrative expenses	\$44.4	\$40.4	\$43.8
Total adjusted operating expenses	\$115.4	\$115.3	\$123.1
% of net revenue	46.3%	48.4%	49.7%

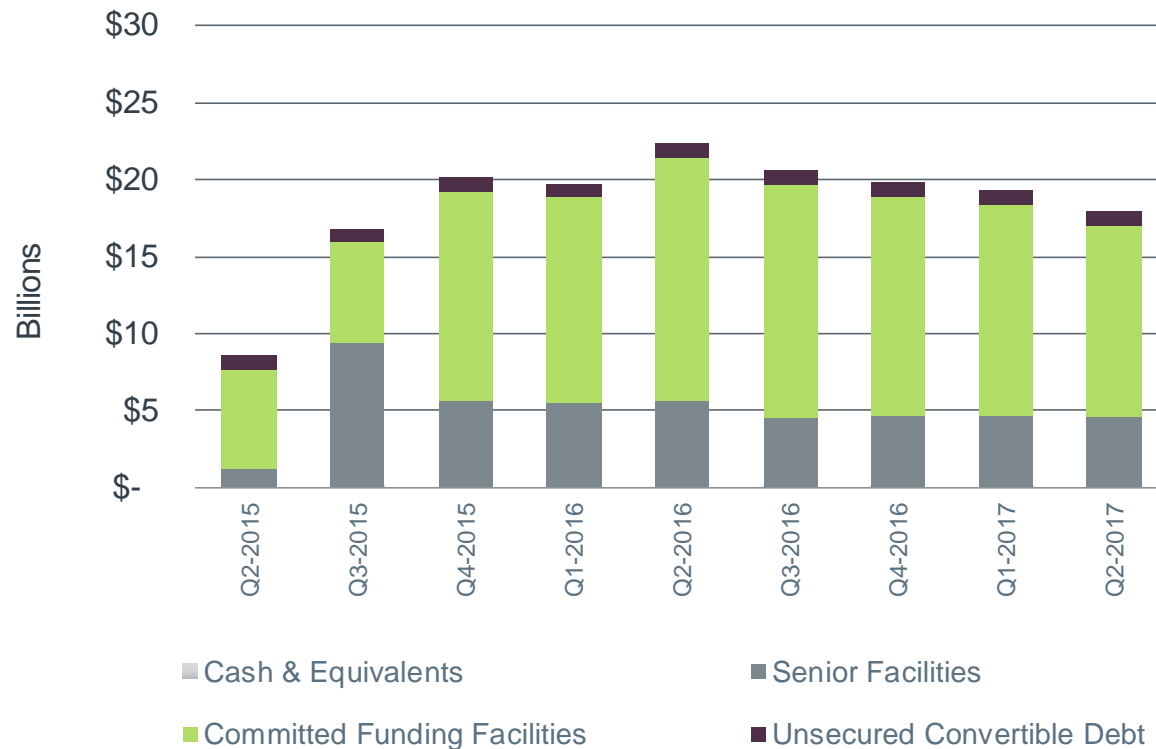
Core Fleet Management Treasury Update

Balance Sheet Capacity to Fund Planned Growth

- Committed facilities (available & outstanding) amounted to \$17.9B as of June 30, 2017

At June 30, 2017, Element had \$3.4B in available financing to fund ongoing originations

- Committed facilities are supplemented by access to the Term ABS market
- Debt maturities match to asset run off with repayment schedule mirroring expected debt repayments



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Bradley Nullmeyer
CEO

Long-Term Shareholder Value Creation

Long-Term Shareholder Value Creation

The Future of Fleet Management

- Developed Core and Non-Core separation and strategic plan underlying each Non-Core asset
- Delivered \$0.18 EPS in quarter from Core Fleet and \$0.05 from Non-Core
- Core business continues to perform with new customers, increased take-up of telematics and post integration efficiencies and rewards
- ABS platform largest in industry and now regular issuer
- Continued move to service fee revenue
- Investment in technology and data analytics made to accelerate the transition to service offerings that are predictable and long term in nature
- Confirmed Element Fleet as a leading fleet-focused business services provider
- Post integration focus on efficiencies and capitalizing on our platform and market opportunities
- Full year guidance of \$0.71 to \$0.73 for Core Fleet only

Prudent manager of capital, focused on balancing investment in growth, both organic and inorganic, and return of capital to shareholders



QUESTIONS

