Q1 2020
Investor Presentation

element

Forward-looking statements

This presentation contains certain forward-looking statements and forward-looking information regarding Element Fleet Management Corp. (“Element”) and its business which are based upon Element’s current expectations, estimates, projections, assumptions and beliefs. In some cases, words such as “plan”, “expect”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “target”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur are intended to identify forward-looking statements and forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information.

Forward-looking statements and information in this presentation include, but are not limited to, statements with respect to, among other things, the impact that the COVID-19 pandemic may have on Element’s financial condition, operating results and cash flows; the objectives, vision and strategies of Element; anticipated benefits of Element’s transformation plan; the future financial reporting of Element; future cash flows, financial condition, operating performance, financial ratios, projected asset base, capital structure and capital expenditures; Element’s after-tax adjusted operating income per share; Element’s anticipated dividend policy and plans for future dividends; Element’s ability to deliver returns and benefits from its initiatives; client acquisition, retention and experience; relationships with suppliers; anticipated cash needs, capital requirements, need for and cost of additional financing and ability to access such financing; future assets; demand for services; Element’s competitive position; anticipated trends and challenges in Element’s business and the markets in which it operates; the implementation of Element’s systems integrations and organizational revisions; the extent, nature and impact of any value driver to create pre-tax run-rate operating income; Element’s ability to generate pre-tax run-rate operating income; expectations regarding syndication; Element’s ability to increase total shareholder return; Element’s ability to pre-fund redemption of its outstanding convertible debentures upon their maturity; and expectations regarding credit ratings.

By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this presentation speak only as of the date on the front of this presentation. The forward-looking information and statements contained in this presentation reflect several material factors, expectations and assumptions of Element including, without limitation: that Element will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; acceptable negotiations with third parties; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; Element’s net interest margin; expectations regarding syndication; growth in lease receivables and service income; assumed rate of cost inflation; assumed applicable foreign exchange rates and applicable income tax rates; Element’s funding mix; terms of new instruments issued to refinance Element’s 2020 convertible debentures and 2024 convertible debentures; the reset rates for Element’s outstanding preferred shares; the extent of its assets and liabilities; and, in the case of the forward-looking statements regarding financial outlook, that Element will achieve the expected benefits, costs and timing of the transformation plan. Element believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking events and circumstances discussed in this presentation 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 addition of new clients, risks related to the payment of dividends, risks relating to business integration and many other factors beyond the control of Element. The COVID-19 pandemic has cast additional uncertainty on Element’s expectations, estimates, projections, assumptions and beliefs. The duration, extent and severity of the impact the COVID-19 pandemic, including measures to prevent its spread, will have on Element Fleet's business is highly uncertain and difficult to predict at this time. No forward-looking statement can be guaranteed and Element cannot guarantee future results, levels of activity, performance or achievements. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks applicable to Element can be found in Element's current Management and Discussion and Analysis and Annual Information Form, each of which have been or will be filed on SEDAR and can be accessed at www.sedar.com. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Element disclaims any intention and assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.-looking statement, whether as a result of new information, future events, or otherwise.

Disclaimer

An investment in the securities of Element involves significant risks. A discussion of some of the material risks affecting Element and its business appears under the heading “Risk Factors” in Element’s Annual Information Form for the year ended December 31, 2019, and under the headings “Risk Management” and “Critical Accounting Policies and Estimates” in Element’s current annual and quarterly Management Discussion and Analysis, all of which have or will have been filed on SEDAR and can be accessed at Element’s profile on www.sedar.com. Prospective investors should carefully consider the risks associated with an investment in the securities of Element before deciding to purchase any such securities.

Unless the context otherwise requires, references to "$" are to Canadian dollars.

Non-IFRS Measures

In this presentation, management uses a number of terms and ratios (including “adjusted operating income” and “after-tax adjusted operating income per share”) 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 Element’s current annual and quarterly Management Discussion & Analysis, which have been filed on SEDAR (www.sedar.com). Element believes that certain Non-IFRS Measures can be useful to investors because they provide a means by which investors can evaluate Element’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.

Please see the definitions of “Adjusted operating income” and “After-tax adjusted operating income per share” provided under the heading “Description of Non-IFRS Measures” in Element’s Management Discussion and Analysis in respect of the period ended December 31, 2019, which is publicly available on SEDAR.

The COVID-19 pandemic has created unprecedented disruption; Element will not be unscathed but is well-equipped to endure

COVID-19 has created tremendous uncertainty for businesses…

- Overwhelmed healthcare systems, volatile financial markets, disrupted supply chains, weakened consumer confidence and social distancing impositions have created tremendous uncertainty for businesses and individuals
- The fleet management supply chain has experienced significant disruption given the closures of OEM plants, after-market upfitters, remarketing auctions and government registration offices
- In the short-term, demand for our fleet management services will be affected

The fundamental strengths of our business remain intact…

- We successfully transitioned 98% of our people to remote work arrangements
- Our clients are receiving our full support as they address the challenges and opportunities that COVID-19 presents for their businesses
- Our business is getting stronger as we accelerate our Transformation agenda
- Our balance sheet remains investment grade and we continue to have ready access to cost-efficient capital
- Our liquidity, access to funding and earnings potential remain unchanged

As we look at the remainder of 2020, the pandemic is likely to impact Element in several ways, some of which are positive

Demand for our fleet management services will see several pressure points, with partial offsets thereto

	Originations	Net Financing Revenue	Servicing Income	Syndication Revenue
Pressure Points	Postponements Cancellations	Lower net earning assets Uncertain gain on sale	Lower volumes Delayed remarketing	Lower core asset supply Lower interest rates
Partial Offsets		Lease extensions Less working capital Lower interest rates	Increased maintenance (longer-term) Very little de-fleeting	

While Element may face near-term headwinds, we believe the fundamentals of our business are unchanged by COVID-19; we are staying our strategic course with a view to preserving our opportunities for long-term success

Summary of Q1 2020

1. Core adjusted operating income increased 10% year-over-year to $135 million; COVID-19 had limited impact on our business and thus on our financial results, save for an $11.4 million quarter-over-quarter increase in provision for credit losses

2. Through our transformation program, we actioned cumulative $146 million of annual run-rate profit improvement initiatives and delivered $29 million of operating income enhancement – both ahead of plan

3. We withdrew 2020 adjusted EPS guidance given the uncertainties associated with the economic impact of COVID-19 on our clients and, therefore, on our business

4. Element has committed, undrawn liquidity of over $5.5 billion at March 31, 2020; ready access to U.S. bond, term ABS and syndication markets; and dependable operating cash flow

5. Subsequent to quarter-end, Element sold the assets of 19th Capital and settled third-party debt at a discount

6. We remain confident in Element being able to generate 4-6% annual net revenue growth in normal market conditions

Element's foundational strengths position it well for continued profitable growth

$18.2[1] B
Assets

$4.3[2] B
Market Cap

$450[3] M+
Annual Free Cash Flow

- No. 1 in North America and Australia / New Zealand
- Approximately two-thirds of portfolio with investment-grade clients
- An investment-grade balance sheet that is rapidly de-leveraging
- Well-diversified across clients, industries, geographies, revenue and funding sources
- Attractive industry dynamics with high barriers to entry
- Management team with a proven ability to deliver shareholder value with full accountability and transparency

> "We are in the enviable position of being a global leader in the business of fleet services and leasing."

1. As at March 31, 2020.
2. As of market close May 8, 2020.
3. As at year-end December 31, 2019.

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Our business model is designed to be resilient, delivering solid, consistent results throughout economic cycles

1	**Blue-chip clients**	• Two-thirds of our earning assets are leased to investment-grade rated clients (publicly rated, or "investment-grade equivalent"), with many of the Fortune 500 represented.
2	**Widely distributed client base**	• Our assets are at work for clients across five sizable geographies and over 700 standard industrial classifications, mitigating concentration risks.
3	**Essential business services**	• Fleet vehicles are mission-critical for clients to generate and sustain daily revenues, ensuring continuity of demand, lease payments and service utilization.
4	**High client retention**	• The nature of the asset and relationship translate into high switching costs and thus low turnover. When clients do switch FMCs, leases run-off over their planned amortization period (though service revenues can be lost immediately).
5	**Effective protection against default**	• Clients with deteriorating credit are usually able to restructure rather than liquidate. In a restructuring, our leases are usually affirmed, ensuring continuity of payments to Element. Our leases contain cross-default provisions, and no force majeure clauses.
6	**Historically strong credit performance**	• Our leases are cross-collateralized and fleet vehicles are highly liquid. During and after the Great Financial Recession, the businesses that now make up Element experienced less than 10 bps of credit loss (as a % of finance receivables) in their worst years.
7	**Compelling value proposition**	• We use our scale – purchasing power & data – to drive down the total cost of fleet ownership and operation for our clients, and our services eliminate the administrative burden of in-house fleet management.
8	**Strong funding capacity**	• We have ready access to cost-efficient capital, with both securitization and syndication programs, and we maintain multiple committed alternatives to fund the business should access to the ABS or syndication markets become constrained for any reason.

Element's client base is widely diversified across 75+ major industry classifications and 700+ sub-specific industries

70% of earning assets by value are in use by clients operating in the following 15 major industry classifications. The remainder of our assets are with clients in 60+ major industry classifications.

Major Industry Classification	% EA[1]
Chemicals & Allied Products	9.3%
Electric, Gas & Sanitary Services	6.5%
Wholesale Trade & Die; Durable Goods	6.4%
Business Services	6.1%
Food & Kindred Products	5.8%
Construction-Special Trade Contractors	5.3%
Communications	4.7%
Measuring, Analyzing & Controlling Instruments	4.3%
Automotive Repair, Services & Parking	3.9%
Oil & Gas Extraction	3.4%
Industrial & Commercial Machinery & Computer Equipment	3.1%
Electronic & Other Electrical Equipment & Components	3.1%
Transportation Equipment	3.1%
Wholesale Trade & Die; Non-Durable Goods	2.8%
Heavy Construction Other Than Building Contractors	2.7%

50% of earning assets by value are in use by clients operating in 33 sub-specific industries, the top 15 of which are below. The remainder of our assets are with clients in 700+ sub-specific industries.

Sub-specific Industry	% EA[1]
Pharmaceutical Preparations	3.5%
Electrical Work	3.4%
Passenger Car Rental	3.2%
Electric Services	3.1%
Motor Vehicles & Passenger Car Bodies	2.7%
Pesticides & Agricultural Chemicals, NEC	2.1%
Telephone Communications, Except Radiotelephone	1.9%
Detective, Guard & Armored Car Services	1.7%
Fire, Marine & Casualty Insurance	1.4%
Cable & Other Pay Television Services	1.4%
Electronic Connectors	1.4%
Concrete Block & Brick	1.4%
Electric & Other Services Combined	1.3%
Radiotelephone Communications	1.3%
Poultry Slaughtering & Processing	1.3%

1. Percentage of total earning assets at March 31, 2020.

Our strategy is on track with a clear path forward

Transforming Element's business

- Focused resources on creating a consistently superior client experience, enabling Element to generate an expected ~$180 million of run-rate improvement in annual pre-tax profitability
- Actioned $146 million of profitability improvement initiatives by March 31, 2020 and delivered $29 million to core AOI in Q1 2020; our actioned initiatives thus far are expected to deliver $104 million in operating income before-tax in 2020
- Subsequent to March 31, 2020, we surpassed the original $150 million end-of-2020 target for annual run-rate, pre-tax profit improvements actioned through our transformation efforts
- With 80% of our $180 million target reached, we are well-positioned to complete the "Build for the Future" final phase of our transformation program
- We have ~$45 million of our one-time investment funds available to us to secure the remaining improvements

Strengthening and de-leveraging the balance sheet

- Divested non-core assets, including excess real estate in Eden Prairie, Minnesota, our non-core interest in the ECAF note and the assets of 19th Capital
- Secured a BBB investment-grade rating from Standard & Poor's
- De-leveraged and de-risked Element's balance sheet from 9.56x tangible leverage at October 31, 2018 (the beginning of the transformation program) to 7.45x at March 31, 2020. Excluding FX volatility and the impact of Element's non-recourse warehouse credit facility – which exclusively funds pre-syndication assets for Armada – Element's tangible leverage ratio at March 31, 2020 would have been 6.35
- Subsequent to March 31, 2020, we established a $560 million committed credit facility, which can be used if required to retire the Company's outstanding Convertible Subordinated Debentures maturing in June 2020

Pivoting the organization to growth

- In 2019, we undertook research and analysis to properly size and map the entire North American market for fleet management services
- The resulting insights into segmentation, penetration, pricing and industry dynamics validated both the relevance and sustainability of Element's value proposition, and informed our enhanced go-to-market strategy, which we have begun to implement in 2020
- Based on our market insights, client mix and geographic positioning, we believe Element can generate annual net revenue growth of 4-6% in normal market conditions
- We will do so by (i) holding market share; (ii) improving salesforce effectiveness; (iii) better managing client profitability; (iv) converting self-managed fleets; and (v) leveraging our market leadership in Mexico and Australia / New Zealand. We will also pursue additional, Armada-like "mega fleet" opportunities

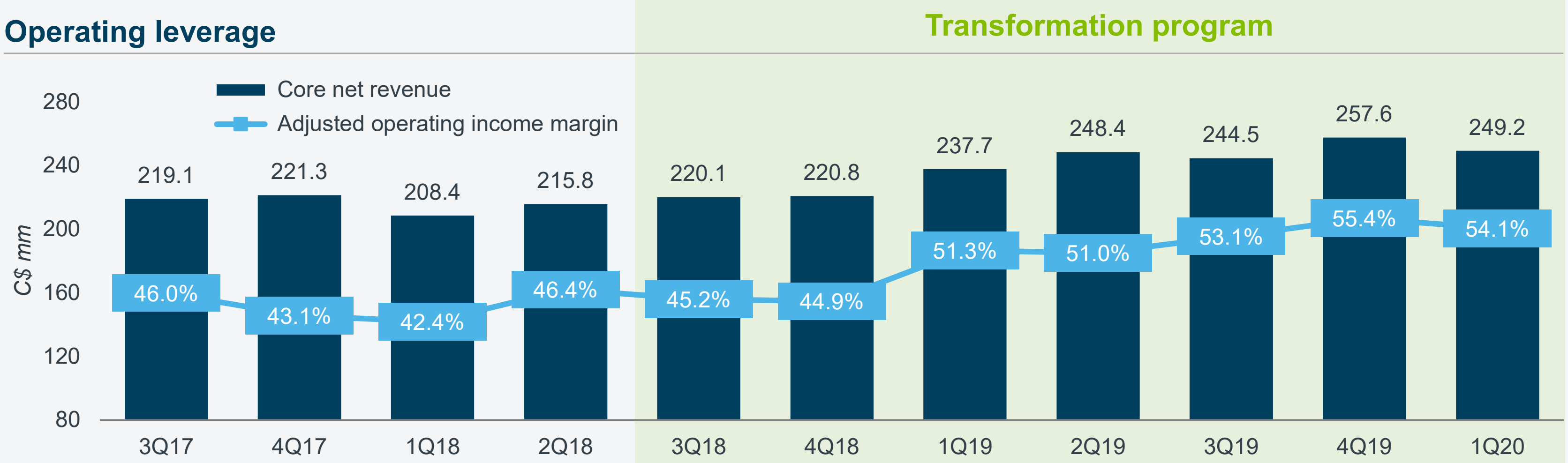
Element generated core after-tax adjusted operating income of $0.23 per share in Q1 2020

Core Fleet Management Operations

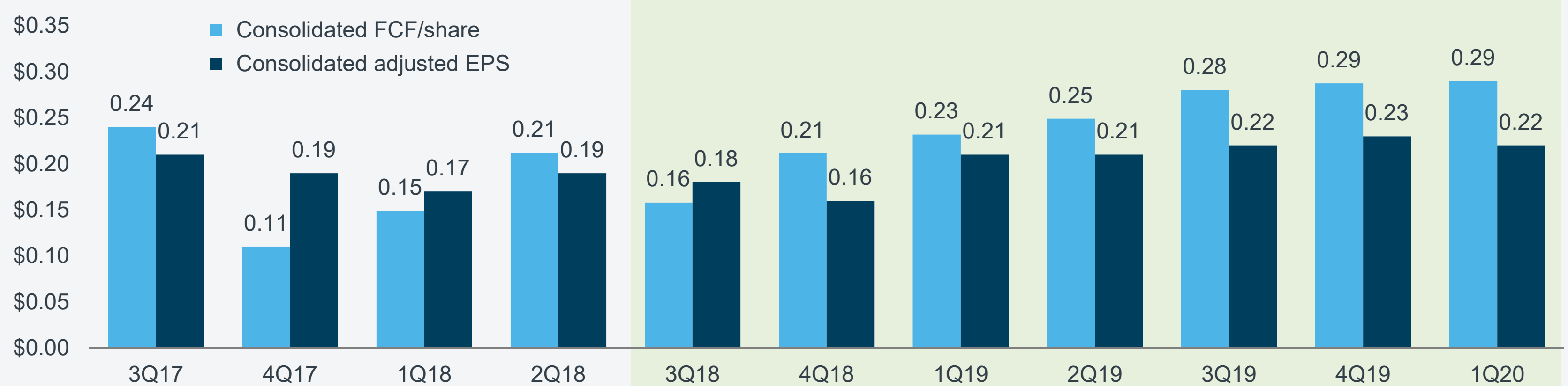
	For the three-month periods ended		
(in $000's for stated values, except per share amounts)	**March 31, 2020**	December 31, 2019	March 31, 2019
Originations	**2,030,988**	2,225,909	1,712,849
End-of-period assets under management	**17,780,139**	16,710,402	15,492,500
Net revenue			
Net interest income and rental revenue	**191,399**	208,302	216,643
Interest expense	**94,132**	107,040	114,112
Net financing revenue	**97,267**	101,262	102,531
Servicing income, net	**125,847**	128,754	117,959
Syndication revenue, net	**26,087**	27,538	17,212
Net revenue	**249,201**	257,554	237,702
Adjusted operating expenses			
Salaries, wages and benefits	**73,195**	76,002	78,221
General and administrative expenses	**31,299**	28,818	27,748
Depreciation and amortization	**9,941**	10,137	9,740
Adjusted operating expenses	**114,435**	114,957	115,709
Adjusted operating income	**134,766**	142,597	121,993
Provision for taxes applicable to adjusted operating income	**24,932**	26,367	21,349
After-tax adjusted operating income	**109,834**	116,230	100,644
Cumulative preferred share dividends	**10,906**	11,025	11,164
After-tax adjusted operating income attributable to common shareholders	**98,928**	105,205	89,480
Weighted average number of shares outstanding [basic]	**437,291**	435,766	433,616
After-tax adjusted operating income per share [basic]	**0.23**	0.24	0.21

Transformation program has improved operating leverage and increased free cash flow generation

Operating leverage



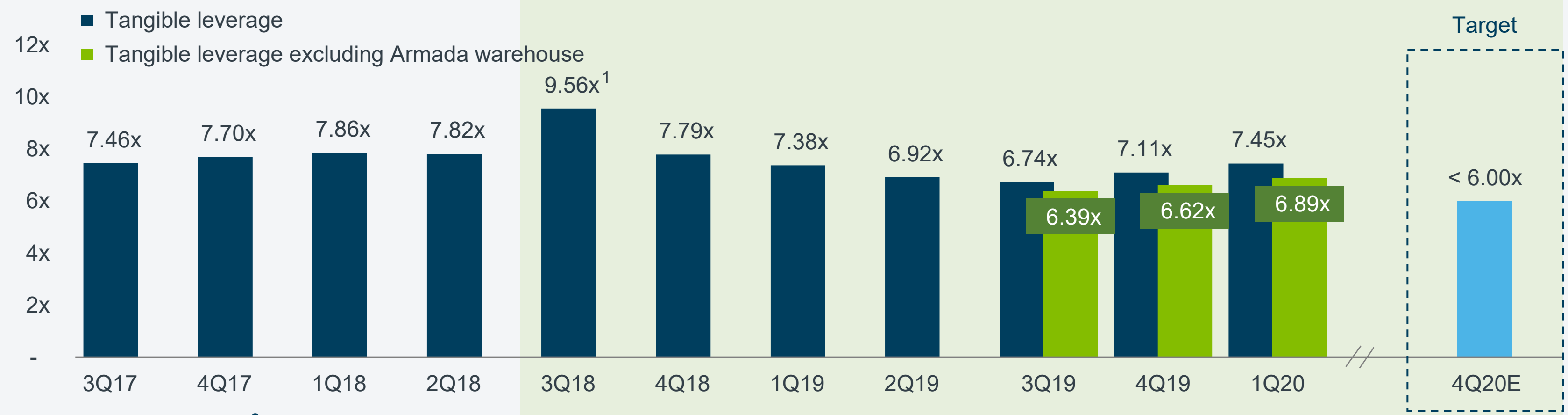
Free cash flow



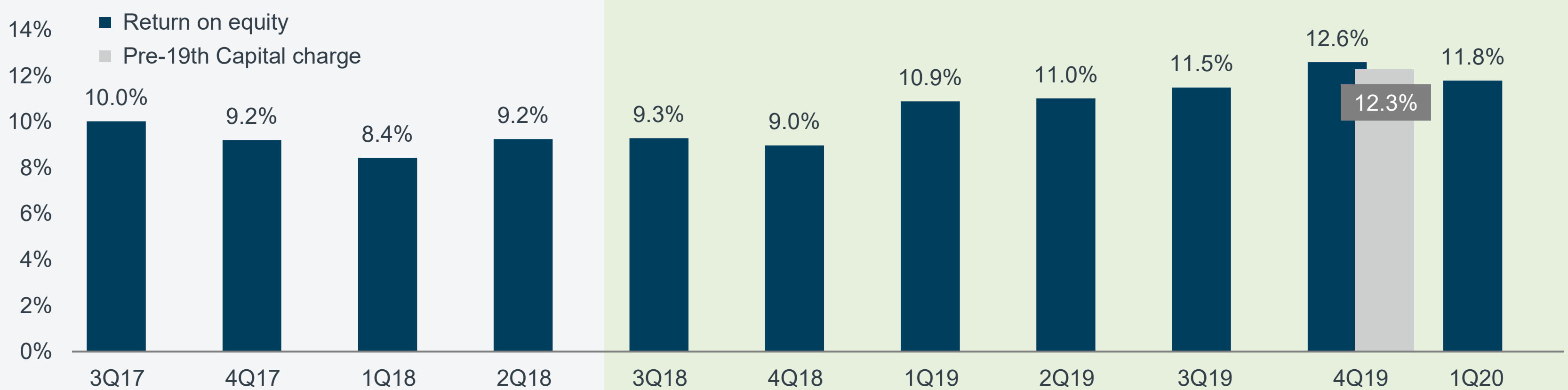
With improving earnings and a de-leveraging balance sheet, we are producing solid financial results

Tangible leverage

Transformation program



Return on equity[2]



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1. In Fall 2018, the Company, as part of its strategic plan, repositioned its non-core investment in 19th Capital and took an after-tax charge of $360 million, reflected in its Q3 2018 financial statements. Concurrently, as part of its initiative to strengthen its balance sheet, the Company raised $345 million of common equity, which was reflected in its Q4 2018 financial statements.
2. Consolidated after-tax adjusted operating income for the quarter attributable to common shareholders, multiplied by four (i.e. annualized), divided by average common equity of the current and immediately preceding quarter.

We are focused on executing on three waves of opportunity

Wave 1: Executing a client-centric transformation to create immediate and long-lasting value for all stakeholders

- Our management team is executing a comprehensive transformation plan
- We had actioned $146 million of annual run-rate pre-tax profit improvements as of March 31, 2020; following quarter-end, we surpassed $150 million
- These actions are translating into results: we delivered $29 million of annual run-rate pre-tax operating income enhancement in Q1 2020
- We are well along our client-centric path to generating value for all Element stakeholders

Our client-centric reset of the business is creating immediate value for shareholders

EFN.TSX

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We are well on our way to actioning our target $180 million annual run-rate pre-tax operating income improvement by year-end 2020

2018
Quick wins

2019
Back to basics

2020
Building for the future

Annual run-rate pre-tax operating income improvement

Enhanced Transformation Program

$120M

$180M

Following Q1 2020, we surpassed $150M, our original 2020 year-end target

$58M

$100M

$150M

Wave 2: In 2019, we broadened our use of syndication to accelerate the de-leveraging of our balance sheet

ON BALANCE SHEET →

Order

Element receives an order from one of our clients and places the order with an OEM.

Origination

Element pays the OEM for the order. This typically coincides with the vehicle's production or the vehicle's availability to Element.

With payment to the OEM, Element records an origination, and the value of the vehicle as an interim funded asset.

Vehicles are initially funded by Element's senior credit line.

Upfit

Some vehicles require upfitting for the client: customization such as racking, running boards, decals etc.

Between origination and activation, vehicles remain interim funded assets funded by Element's senior credit line.

Activation

Upon vehicle delivery to the client, the related lease is activated and the client billed for financing and services.

Upon lease activation, the vehicle ceases to be an interim funded asset and the lease becomes a net earning asset on Element's balance sheet.

Securitization

Element can securitize a lease if it meets the eligibility criteria, is in good standing and does not exceed concentration limits.

Securitized leases remain net earning assets on Element's balance sheet.

OFF BALANCE SHEET

Syndication

Element can syndicate a lease once the client has paid their first bill.

Syndicated leases remain assets under management by Element.

We continue to strengthen and de-leverage our balance sheet through syndication

Recall, expanded use of syndication allows us to:

- Reduce tangible leverage ratio faster, enabling access to lower cost of capital
- Mitigate credit concentration risk created by one large, rapidly growing client – Armada
- Create another source of recurring profitable revenue

Syndication market demand remains healthy:

- Syndication market has remained open to Element throughout the COVID-19 crisis
- We syndicated over $800 million of assets in Q1 transacting with familiar and new buyers
- Demand has remained constant into the second quarter

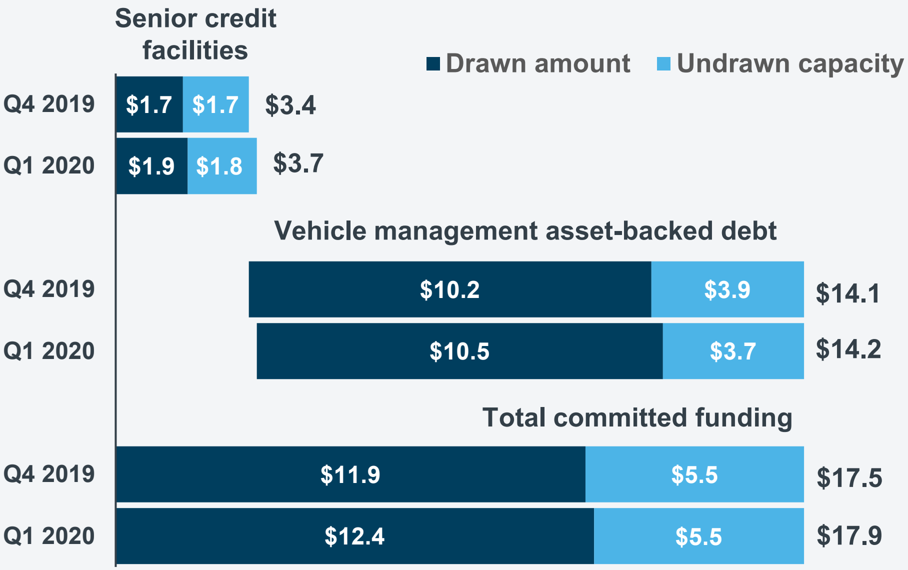
While demand for syndication remains healthy, the drop in interest rates has caused greater pricing pressures that could suggest lower fee spreads

Our investment-grade balance sheet continues to afford us and our clients ready access to cost-efficient capital

Capital structure

2020-03-31	Balance (C$ millions)
Cash	$91
Unsecured debt	
Senior credit facilities	$1,870
Convertible debentures	$716
Vehicle management AB debt	
Term notes amortization	$5,436
Variable	$5,007
Other	$105
Deferred financing costs & adj.	($18)
Total debt	**$13,115**
Shareholders' equity	
Common share capital	$3,202
Preferred share capital	$680
Other	$66
Total shareholders' equity	**$3,948**
Total capitalization	**$17,064**

Drawn vs. undrawn funding capacity *(C$ billions)*



- We have $5.5 billion of contractually committed, undrawn funding capacity available to us to operate our business and originate assets for our clients
- Subsequent to quarter-end, we established a $560 million committed credit facility on attractive terms to provide interim funding for the redemption of our convertible debenture maturing in June

We have ready access to the U.S. bond, term ABS and syndication markets, and dependable operating cash flow

We still intend to issue senior unsecured term debt in the U.S. bond market in 2020, while recognizing that market conditions may not be attractive in the short term for our inaugural offering

S&P: BBB
Stable Outlook

Fitch: BBB+
Stable Outlook

Two investment-grade ratings in the U.S. give us access to the unsecured corporate debt market

DBRS: BBB (high)
Stable Outlook

Kroll: A-
Stable Outlook

Element has the luxury of time to issue debt with ready access to $5.5 billion of contractually committed, undrawn funding capacity

Growth overview

Wave 3: We have begun the pivot to growth as transformation solidifies our foundation

Completed the first in-depth study of the North American fleet market to our knowledge

- Devoted **50 people** across our organization to this project
- Worked closely with **BCG** and **Polk,** a leader in information on the automotive industry
- Conducted **50+ in-depth interviews** with clients, potential clients and industry experts

We have crafted a plan to drive low-risk, value-accretive growth in coming years

- Fleet services and leasing is a **~C$20 billion market across 16 segments** in the U.S. + Canada alone
- Our core business currently addresses **~20% ($4B)** but, with existing capabilities, we can easily address **~30% ($6B)** of this market

Five means of growth

1. Holding market share
2. Improving salesforce effectiveness
3. Better managing client profitability
4. Converting self-managed fleets
5. Leveraging our leadership positions in Mexico and ANZ

\+ Periodic addition of "mega fleets"

We believe Element can achieve annual net revenue growth of 4-6% in normal market conditions

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A global fleet leader

Element Fleet Management is a leading global fleet management company, providing world class services and financing of commercial vehicles to make our clients' fleets and their drivers safer, smarter and more productive.

Dominant market position in North America

Well diversified across clients, industries, geographies, revenue and funding sources

Accountable management with proven ability to deliver shareholder value

Transformational reset is dramatically improving earnings and strengthening balance sheet

Reliable annual net revenue growth of 4-6% in normal market conditions