

Q4 and FY 2019 Investor Presentation



Forward-looking statements

This presentation contains certain forward-looking statements and forward-looking information regarding 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 objectives, vision and strategies of Element Fleet Management Corp. ("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; Element's borrowing base; future performance of 19th Capital; 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, including realizing on its plans for selling certain non-core assets; 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; proceeds from non-core asset sales; the operating performance of 19th Capital, including the terms upon which idle assets can be sold or leased, and timing of same; 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 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 business integration and many other factors beyond the control of Element. No forward-looking statement can be guaranteed and Element cannot guarantee future results, levels of activity, performance or achievements. 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 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 dated on or about March 2, 2020, and under the headings “Risk Management” and “Critical Accounting Policies and Estimates” in Element’s Management and Discussion and Analysis for the three- and twelve-month periods ended December 31, 2019, 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 Management Discussion & Analysis for the three- and twelve-month periods ended December 31, 2019, 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.

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

\$17.4¹ B
Assets

\$5.7² B
Market Cap

\$450 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 deleveraging
- 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.”**

Our business model is designed to be resilient, delivering strong, consistent results in all economic conditions

1	Blue-chip clients	<ul style="list-style-type: none">• Two-thirds of our portfolio is with investment-grade rated clients (publicly rated, or “investment-grade equivalent”), with many of the Fortune 500 represented
2	Widely distributed client base	<ul style="list-style-type: none">• Our assets are at work for clients across more than 700 industries and 5 countries, creating stability through economic cycles
3	Essential business services	<ul style="list-style-type: none">• Fleet assets are essential to our clients’ revenue productivity, ensuring continuity of both demand and payment
4	High client retention	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• In the event of deteriorating credit conditions, clients are usually able to restructure rather than liquidate. In a restructuring, fleet assets are usually affirmed, ensuring continuity of business for Element
6	Historically strong credit performance	<ul style="list-style-type: none">• Element typically experiences low- to mid-single-digit basis points (“bps”) of credit losses annually (as a % of finance receivables). During the Great Financial Recession, the businesses that today make up Element experienced less than 10 bps a year of loss
7	Compelling value proposition	<ul style="list-style-type: none">• We use our scale – purchasing power & data – to drive down the total cost of vehicle ownership for our clients
8	Strong funding capacity	<ul style="list-style-type: none">• 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 more than 700 industries

Approximately 50% of earning assets by value are spread across 40 industries (see immediately below); remainder across 700+ industries

Industry Classification by SIC Code	% Earning Assets
Electrical Work	3.0%
Pharmaceutical Preparations	3.0%
Passenger Car Rental	2.6%
Motor Vehicles and Passenger Car Bodies	2.6%
Electric Services	2.5%
Radiotelephone Communications	2.1%
Pesticides and Agricultural Chemicals	1.7%
Detective, Guard, and Armored Car Services	1.6%
Oil and Gas Field Exploration Services	1.6%
Industrial Gases	1.5%
Courier Services	1.4%
Cable and Other Pay Television Services	1.3%
Concrete Block & Brick Manufacturing	1.3%
Telephone Communications	1.3%
Electric and Other Services Combined	1.2%
Fire, Marine, and Casualty Insurance	1.1%
Industrial Instruments for Measurement	1.1%
Oil and Gas Field Services	1.1%
Crude Petroleum and Natural Gas	1.1%
Water, Sewer, Pipeline, Communications & Power Line	1.0%

Industry Classification by SIC Code	% Earning Assets
Engineering Services	1.0%
Auto and Home Supply Stores	1.0%
Calculating and Accounting Machinery	0.9%
Electronic Connectors	0.9%
Trucking Except Local	0.9%
Natural Gas Distribution	0.9%
Cookies and Crackers	0.8%
Eating Places	0.8%
Repair Shops and Related Services	0.8%
General Government	0.8%
Electrical Apparatus and Equipment	0.8%
Heavy Construction	0.8%
Automatic Controls for Regulating Residential	0.8%
Lumber and Other Building Materials Dealers	0.7%
Grocery Stores	0.7%
Groceries, General Line	0.7%
Trucking, Except Local (specialized freight)	0.7%
Malt Beverage Manufacturing	0.7%
Motor Vehicle Supplies and New Parts	0.7%
Drugs, Drug Proprieties, and Druggists' Sundries	0.6%

Important themes for Q4 2019

- 1.** Both Q4 and full-year 2019 core operating results are outstanding, with substantial year-over-year increases in net revenue and adjusted operating income
- 2.** We are transforming our business, strengthening our balance sheet and building for future growth – all ahead of the timeline envisioned in our October 2018 strategic plan
- 3.** We expect to issue U.S. unsecured corporate debt in H1 2020, the proceeds of which will be used – along with cash on hand – to retire our \$567 million convertible debentures due in June 2020
- 4.** The 19th Capital charge has no impact on our 2020 adjusted EPS guidance of \$1.00-1.05 or our ability to achieve our tangible leverage ratio of sub-6.0
- 5.** We remain confident in Element being able to generate 4-6% net revenue growth annually, beginning in 2021

Our strategy is on track with a clear path forward

✓ Closure on 19th Capital

- Despite getting off to a strong start in the first half of 2019, the market demand for used Class 8 trucks in the U.S. plummeted in the second half
- We initiated a formal process to expedite the sale of 19th Capital in Q4 2019
- While the process garnered plenty of interest, the few offers we received reflected the recent and expected further decline in values
- Thus, we have recorded a charge - \$260 million gross / \$194 million after-tax - against our remaining non-core assets this quarter, addressing the potential for future associated financial risk to Element
- We will now accelerate the run-off of 19th Capital, including ramping-up the pace of liquidation of the entity's assets, immediately reducing the scale of 19th Capital operations and engaging with third-party lenders

✓ 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 \$131 million of profitability improvement initiatives by December 31, 2019 and delivered \$71 million to core AOI in 2019
- More than two-thirds of the way through our \$180 million profitability improvement target, we are now entering the "Build for the Future" final phase of our transformation program
- We have ~\$50 million of our one-time investment funds available to us to secure the remaining improvements

✓ Strengthening and deleveraging the balance sheet

- Divested non-core assets, including excess real estate in Eden Prairie, Minnesota and our non-core interest in the ECAF note
- Completed a successful \$172.5 million convertible debenture issuance on preferential terms
- Established a non-recourse warehouse credit facility to fund originations for Armada
- Secured a BBB investment-grade rating from Standard & Poor's
- Syndication, enhanced profitability and rising free cash flow in 2019 all contributed to de-risk and deleverage Element's balance sheet from 7.8x tangible leverage at December 31, 2018 to 7.1x at December 31, 2019. Excluding the impacts of (i) the Company's non-recourse warehouse credit facility, which exclusively funds pre-syndication assets for Armada, and (ii) the charge taken in Q4 2019 against non-core assets in respect of 19th Capital, Element's tangible leverage ratio at December 31, 2019 would have been 6.0

Element generated core after-tax adjusted operating income of \$0.24 per share in Q4 2019, and \$0.88 per share in full-year 2019

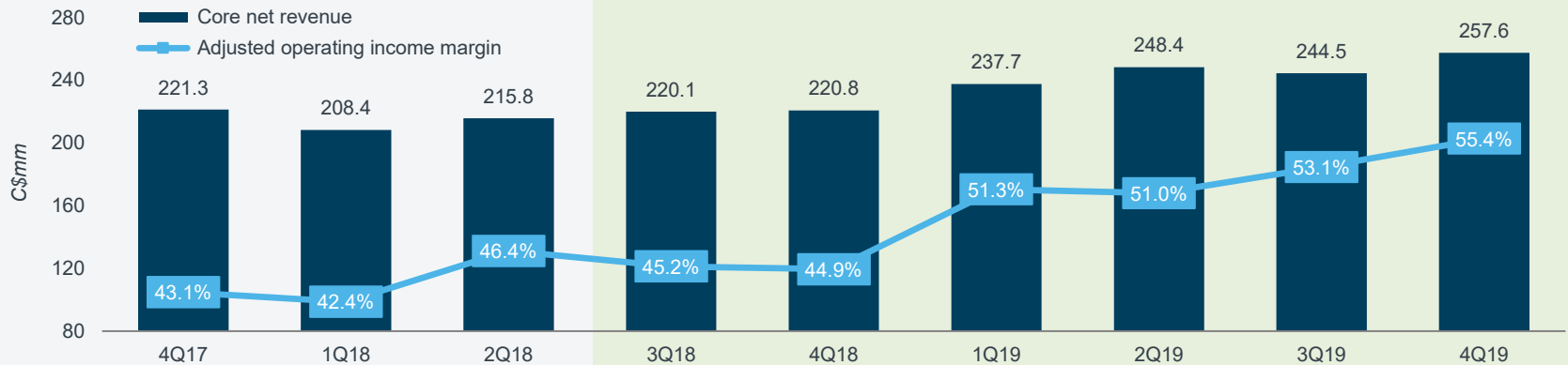
Core Fleet Management Operations Q4 2019 and year-end 2019 summary results

(in \$000's for stated values, except per share amounts)	For the three-month periods ended			For the year ended	
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Originations	2,225,909	2,106,603	1,819,479	7,851,876	6,491,775
End-of-period assets under management	16,710,402	16,169,794	15,699,396	16,710,402	15,699,396
Net revenue					
Net interest income and rental revenue	208,302	209,267	212,202	850,875	802,495
Interest expense	107,040	110,036	113,072	445,397	404,603
Net financing revenue	101,262	99,231	99,130	405,478	397,892
Servicing income, net	128,754	122,181	119,409	493,130	455,385
Syndication revenue, net	27,538	23,084	2,279	89,577	11,897
Net revenue	257,554	244,496	220,818	988,185	865,174
Adjusted operating expenses					
Salaries, wages and benefits	76,002	77,427	83,101	314,447	326,716
General and administrative expenses	28,818	27,443	31,639	113,157	127,076
Depreciation and amortization	10,137	9,840	6,831	39,519	24,279
Adjusted operating expenses	114,957	114,710	121,571	467,123	478,071
Adjusted operating income	142,597	129,786	99,247	521,062	387,103
Provision for taxes applicable to adjusted operating income	26,367	22,713	17,868	95,132	69,679
After-tax adjusted operating income	116,230	107,073	81,379	425,930	317,424
Cumulative preferred share dividends	11,025	11,071	11,068	44,424	44,273
After-tax adjusted operating income attributable to common shareholders	105,205	96,002	70,311	381,506	273,151
Weighted average number of shares outstanding [basic]	435,766	435,134	424,804	434,805	391,659
After-tax adjusted operating income per share [basic]	0.24	0.22	0.17	0.88	0.70

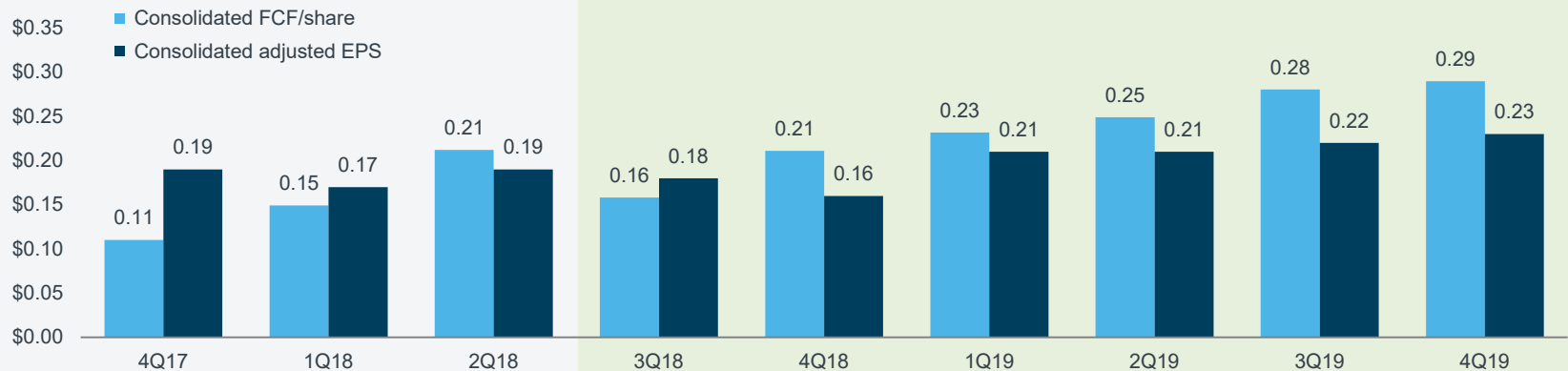
Transformation program has improved operating leverage and increased free cash flow generation

Operating leverage

Transformation program



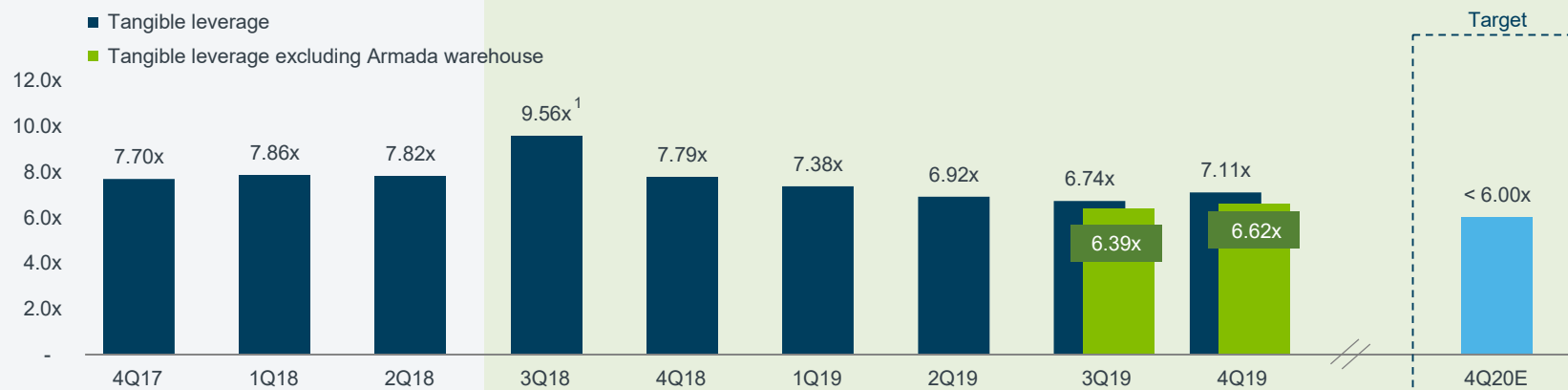
Free cash flow



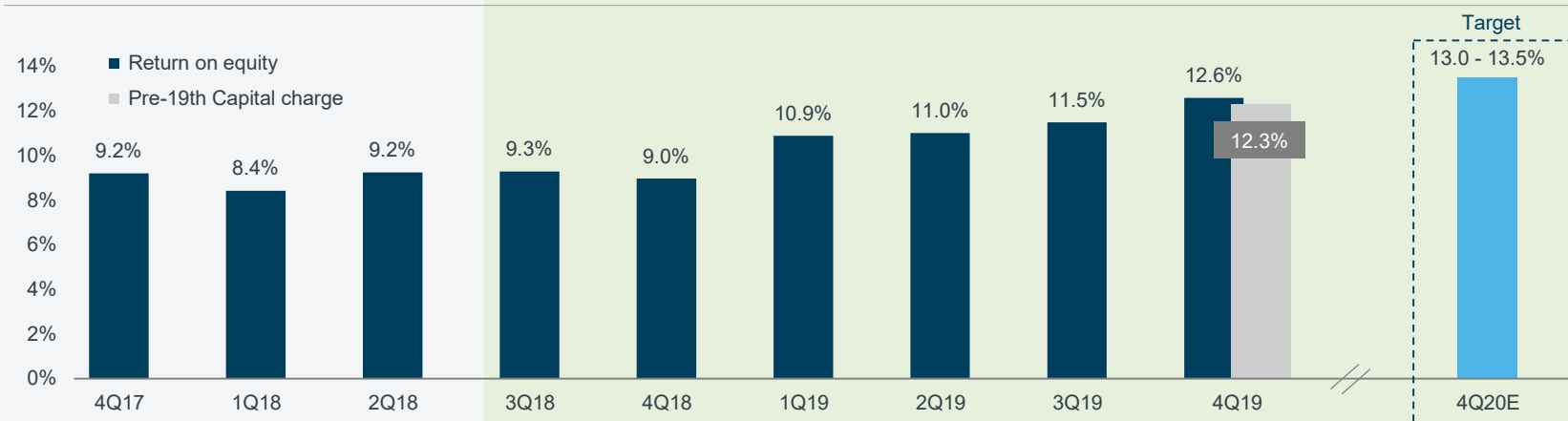
With increasing earnings and a rapidly deleveraging balance sheet, we are producing strong financial results

Tangible leverage

Transformation program



Return on equity²



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

2019

2020

2021

2022

2023

Wave 1: Transformation

Wave 2: Syndication

Wave 3: Growth

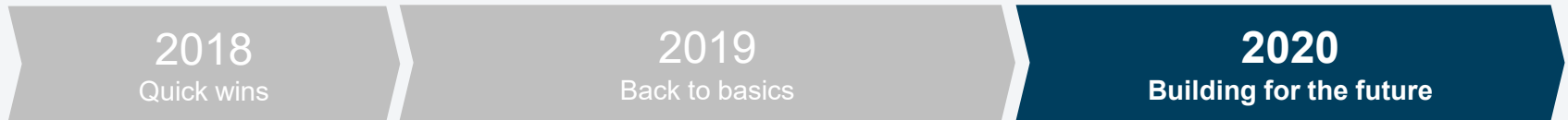
Wave 1: Executing a client-centric transformation to create immediate and long-lasting value for all stakeholders

- Our management team is executing a comprehensive transformation plan
- We have actioned \$131 million of annual run-rate pre-tax profit improvements as of Q4 2019, exceeding our year-end target of \$120 million
- These actions are translating into results: we delivered \$71 million of annual run-rate pre-tax profit improvement in 2019
- We are well along our client-centric path to generating value for all Element stakeholders

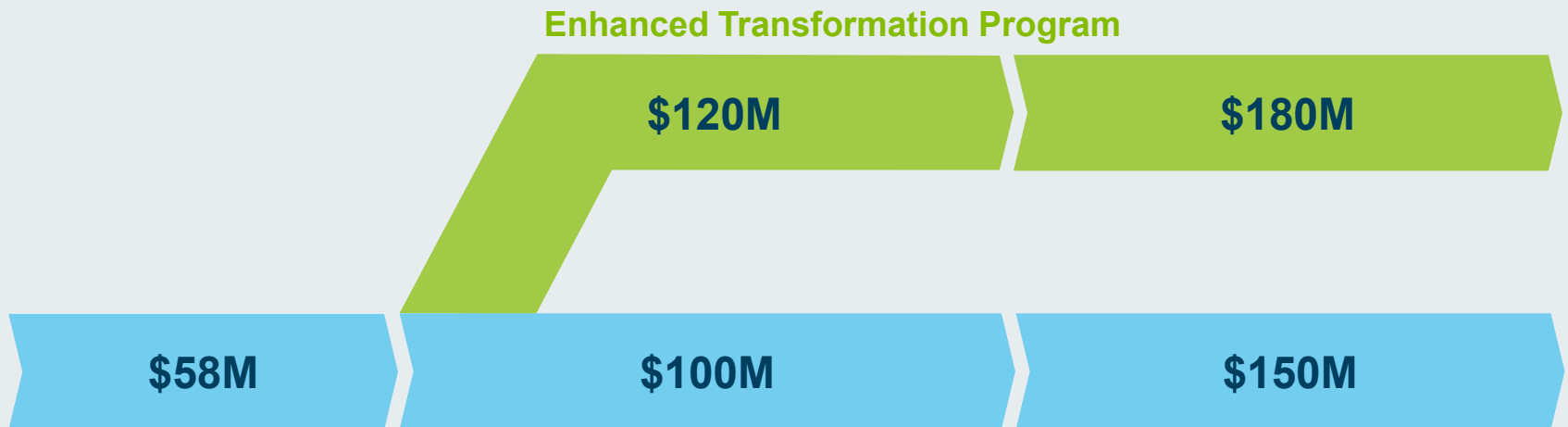
Our client-centric reset of the business is creating immediate value for shareholders



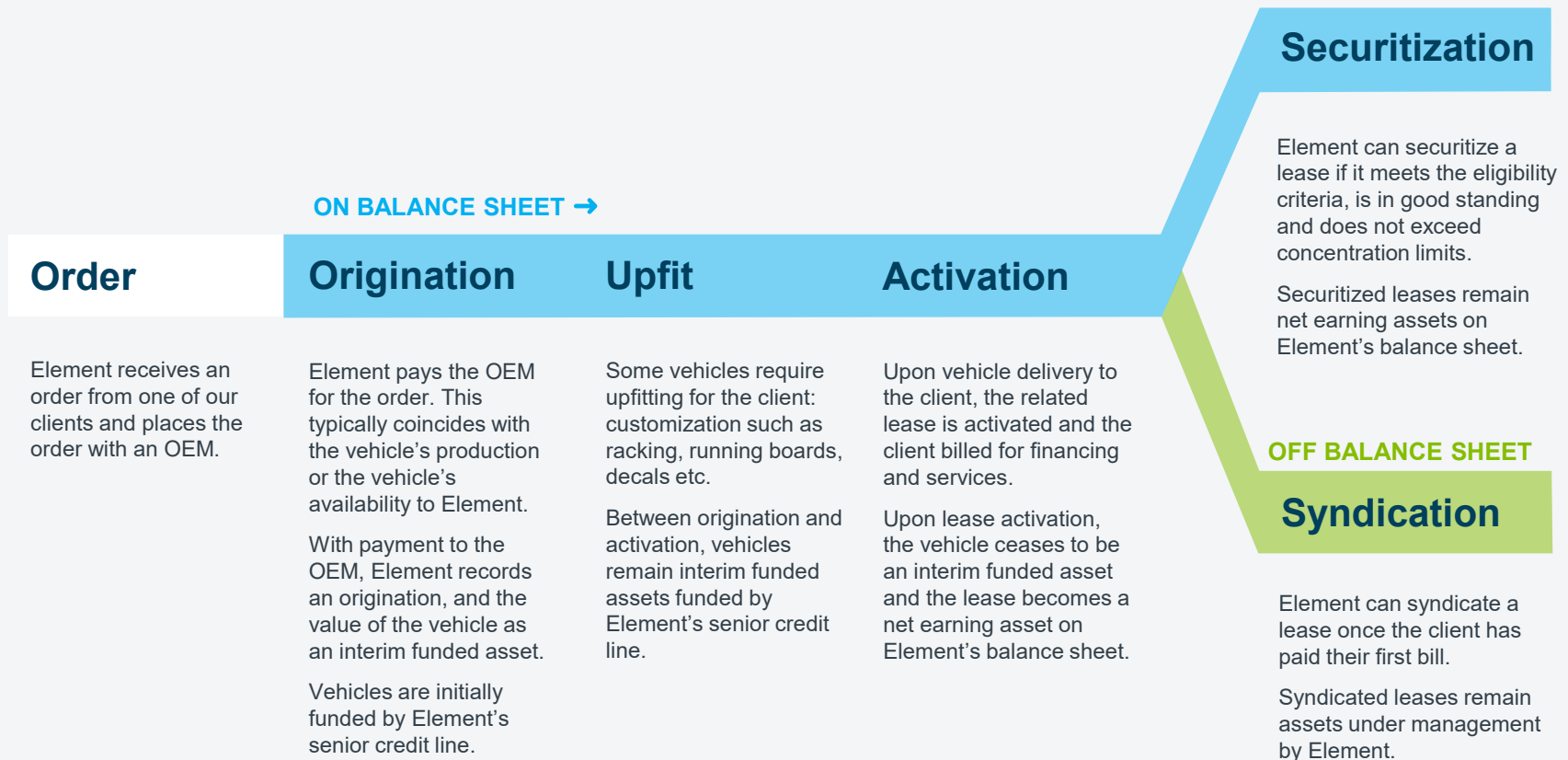
Given our progress, we increased our transformation target to \$180M of profit improvements actioned by 2020



Annual run-rate pre-tax operating income improvement



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



We continue to strengthen and deleverage our investment-grade balance sheet through syndication

Expanded use of syndication allows us to:

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

Through syndication, we create broader access to cost-efficient funding, reduce credit risk and generate a new stream of recurring revenue

We expect to access the U.S. corporate debt market to further diversify our funding sources and lower our cost of capital

S&P: BBB

Stable Outlook

Fitch: BBB+

Stable Outlook

DBRS: BBB (high)

Stable Outlook

Kroll: A-

Stable Outlook

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

Wave 3: We are beginning the pivot to growth ahead of schedule 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 generate **annual net revenue growth of 4-6%** beginning in 2021

Guidance

We continue to expect to deliver after-tax adjusted operating income per share of \$1.00 to \$1.05 in 2020

After-tax adjusted operating
income per share



Note: 2020 estimates are on a currency neutral basis

We expect to deliver after-tax adjusted operating income per share of \$1.00 to \$1.05 in 2020

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% beginning in 2021