



## Element Reports Strong Q3 Results, Increases Common Dividend 20%, Announces Strategic Initiatives and Provides 2024 Guidance

Amounts in \$CAD unless otherwise noted

- Q3 2023 net revenue grew 14.8% over Q3 2022 as reported or 15.6% on an "organic" and constant currency basis
- Pre-tax income grew 17.5% and adjusted operating income grew 11.7% over Q3 2022 results as reported
- Q3 2023 EPS were \$0.32 and adjusted EPS were \$0.35, representing 7 cents and 5 cents improvement, respectively, over Q3 2022 results as reported
- Q3 2023 free cash flow per share was \$0.42 or 4 cents more than Q3 2022 as reported
- Element increased its common dividend by 20% from \$0.40 to \$0.48 per share annually
- In 2024, Element will centralize accountability for its U.S. and Canadian leasing function, and establish a strategic sourcing and relationship management presence in Asia
- Element is guiding to net revenue of \$1.365 to \$1.390 billion, positive operating leverage, and high single- to low double-digit adjusted EPS and free cash flow per share growth in 2024

TORONTO, Nov. 06, 2023 -- Element Fleet Management Corp. (TSX:EFN) ("Element" or the "Company"), the largest publicly traded pure-play automotive fleet manager in the world, today announced strong financial and operating results for the three months ended September 30, 2023.

\$ millions, except percentages	Q3 2023	Variances to "Organic" Q3 2022 <sup>1</sup>				Variances to Q2 2023			
		As reported		Constant currency		As reported		Constant currency	
		\$	%	\$	%	\$	%	\$	%
Net revenue	<b>333.8</b>	60.0	21.9%	45.2	15.6%	10.7	3.3%	9.4	2.9%
Pre-tax income	<b>167.3</b>	41.9	33.4%	31.5	23.2%	7.6	4.8%	6.4	4.0%
Pre-tax income margin	<b>50.1%</b>		433 bps		309 bps		70 bps		52 bps
EPS	<b>0.32</b>	0.10	43.5%	0.08	30.5%	0.03	7.9%	0.02	6.3%
Adjusted operating income	<b>184.8</b>	36.4	24.5%	25.6	16.1%	6.7	3.8%	5.4	3.0%
Adjusted operating margin	<b>55.4%</b>		120 bps		20 bps		30 bps		10 bps
Adjusted EPS	<b>0.35</b>	0.09	34.6%	0.06	20.7%	0.02	6.1%	0.02	6.1%
Free cash flow per share	<b>0.42</b>	0.06	16.7%	0.03	7.7%	(0.04)	(8.7)%	(0.05)	(10.6)%

"Our people are delivering for our clients, and our business is delivering for our investors, as illustrated by Element's strong financial and operating performance in the third quarter – and year-to-date," said Laura Dottori-Attanasio, President and Chief Executive Officer of Element. "Moreover, our confidence in our outlook is evidenced by the Board's approval of management's recommended 20% increase to Element's common dividend. We remain focused on profitable organic revenue growth, positive operating leverage, and increasing free cash flow per share next year, in-line with our full-year 2024 results guidance."

"Additionally, we have launched a number of strategic initiatives to evaluate and capitalize on opportunities we see to enhance Element's long-term annual performance outlook over the coming years," Ms. Dottori-Attanasio continued. "Centralizing accountability for our U.S. and Canadian leasing function at a new office in Dublin, Ireland, and establishing a strategic sourcing presence in Asia by opening an office in Singapore are two of the strategic initiatives underway, which will take effect next year. I am confident both initiatives will create value for Element stakeholders: improved service and optionality for our clients; strengthened operations and supply chains for our business; learning and career development opportunities for our people; and enhanced long-term performance for our investors. We look forward to sharing our progress on these and other strategic initiatives over the coming quarters."

### Full-year 2024 results guidance

	Full-year 2024 result ranges
Net revenue	\$1.365 - 1.390 billion
Adjusted operating margin	55.0% - 55.5%

Adjusted operating income	\$750 - 770 million
Adjusted EPS	\$1.41 - 1.46
Free cash flow per share	\$1.75 - 1.80

Element expects sustained commercial success and resilient client demand for the Company's services to underpin full-year 2024 net revenue of between \$1.365 and \$1.390 billion. The Company is committed to positive operating leverage and expects to generate high single- to low double-digit adjusted EPS and free cash flow per share growth next year.

Element's full-year 2024 results guidance ranges exclude non-recurring setup costs to be incurred by the Company as it invests in the strategic initiatives announced today and detailed below.

Excluding the same non-recurring setup costs related to strategic initiatives<sup>2</sup>, Element expects to deliver full-year 2023 results near, at or above the high end of its previously-provided guidance ranges.

### **Strategic initiatives**

Element today announced strategic initiatives that will accelerate the Company's growth and improve long-term profitability.

These initiatives require approximately \$25-30 million (total) in non-recurring setup costs, the majority of which will be incurred in the next three quarters.<sup>2</sup> The Company will provide more details as to the anticipated quarterly cadence of these investments as part of its full-year 2023 result disclosures.

Element expects the strategic initiatives described below to:

- Contribute profitable net revenue growth and operational efficiencies beginning in 2025;
- Fully recoup the \$25-30 million (total) of related investments within approximately 2.5 years; and
- Generate between \$40 and \$60 million of run-rate net revenue, and between \$30 and \$50 million of run-rate adjusted operating income ("AOI"), by full-year 2028.

#### *Centralizing accountability for U.S. and Canadian leasing*

Element has grown quarterly services revenue on a year-over-year basis in each of the last 7 quarters. The Company's experience has been that assigning accountability for the performance of distinct Element service products to individual senior leaders drives focus that results in accelerated growth.

With this in mind, Element is centralizing accountability for the U.S. and Canadian leasing function under one seasoned executive, Chris Gittens, who has previously led the Company's Canadian business, its Strategic Relationships business focused on 'mega' fleets, and – most recently – was Element's Chief Information Officer.

Chris will consolidate U.S. and Canadian leasing operations at a new Element office in Dublin, Ireland – a global leasing center of excellence.

Centralized accountability for this function will elevate Element clients' leasing experience, optimize related operations, and improve pricing discipline, all to maximize the value of the Company's portfolio.

#### *Establishing a strategic sourcing and relationship management presence in Asia*

To enhance global procurement capabilities by strengthening existing ties and fostering valuable new sourcing relationships in Asia, Element will open a small new office in Singapore next year.

This initiative aligns with the Company's and its clients' commitments to sustainability and decarbonization given Asia's global leadership position in the development and production of both battery-electric and hybrid vehicles.

Chris Tulloch, the leader of Element's Australian and New Zealand businesses, is driving this strategic initiative given his lengthy fleet management industry tenure and physical proximity to Asia.

#### *Advancing digitization and automation*

Element is prioritizing investments in digitization and automation as a critical enabler of future growth and operating efficiencies. Joining Element to accelerate these efforts are David Attard as Chief Digital Officer and Yu Jin as Chief Information Officer.

David and Yu bring extensive expertise in B2B and B2C solutions to Element's strong core of Digital and IT talent across the business.

Together, David, Yu and their teams will leverage Element's unmatched data set and analytic capabilities to innovate for the Company's clients and make Element more efficient.

### **Profitable organic revenue growth**

Element grew third quarter net revenue 14.8% over Q3 2022 ("year-over-year") to \$333.8 million. As previously disclosed,

Element benefitted from \$17 million of non-recurring net revenue in Q3 2022. Controlling for this benefit -- *ie.* compared to "organic" Q3 2022 net revenue -- and in constant currency, Element grew third quarter net revenue 15.6% year-over-year. AOI grew 11.7% year-over-year, and 16.1% "organically" and in constant currency, to \$184.8 million.

Third quarter EPS were \$0.32, up 7 cents year-over-year and 3 cents quarter-over-quarter. Q3 adjusted EPS were \$0.35, up 9 cents over "organic" Q3 2022 (up 6 cents in constant currency) and 2 cents quarter-over-quarter on a constant currency basis. Element generated \$0.42 of free cash flow ("FCF") per share in the quarter – 4 cents more year-over-year driven primarily by higher originations and strong commercial performance.

### A capital-lighter business model

Third quarter services revenue grew 17.3% or \$26.0 million year-over-year as reported (14.0% or \$21.6 million in constant currency) and 3.6% or \$6.1 million quarter-over-quarter (3.7% or \$6.3 million in constant currency) to \$175.9 million. On an "organic" basis, year-over-year services revenue grew 21.8% or \$31.5 million (18.2% or \$27.1 million in constant currency). Element syndicated over \$1.0 billion of assets in Q3, generating \$17.3 million of syndication revenue. The syndication market demand for Element's assets remains robust, affording the Company ready access to this off-balance-sheet source of cost-effective funding.

### Growing free cash flow per share and return of capital to shareholders

Element generated \$0.42 of FCF per share in Q3 2023; 10.5% or 4 cents per share growth year-over-year and 2.4% or 1 cent growth in constant currency. Strong quarterly FCF was driven primarily by strong originations and services revenue.

In addition, the Company announced a 20% increase to its common dividend, from \$0.40 to \$0.48 per share annually, underscoring the Board's confidence in the sustainability of Elements cash flow generation, financial resilience, and favourable outlook. This increase is effective immediately and therefore will be reflected in the Q4 2023 common dividend authorized and declared today, to be paid in respect of Q4 2023 on January 15, 2024.

Element's common dividend represents 31% of the Company's last twelve months' (at September 30, 2023) FCF per share, within the Company's 25% to 35% target payout range. Element expects its common dividend to continue to grow annually, consistent with FCF per share growth.

Element has returned \$187.8 million of cash to common shareholders through dividends and buybacks of common shares year-to-date.

### Capital Structure and Share Repurchase Authorization

To further optimize the Company's balance sheet and mature its capital structure, the Company announced today its intention to redeem – in accordance with the terms of the 6.93% Cumulative 5-Year Rate Reset Preferred Shares Series A (the "Series A Shares") as set out in the Company's articles – all of its 4,600,000 issued and outstanding Series A Shares on December 31, 2023 (the "Redemption Date") for a redemption price equal to \$25.00 per Series A Share, for an aggregate total amount of approximately \$115 million, together with all accrued and unpaid dividends up to but excluding the Redemption Date (the "Redemption Price"), less any tax required to be deducted and withheld by the Company.

The Company has provided notice today of the Redemption Price and the Redemption Date to the sole registered holder of the Series A Shares in accordance with the terms of the Series A Shares as set out in the Company's articles. Non-registered holders of Series A Shares should contact their broker or other intermediary for information regarding the redemption process for the Series A Shares in which they hold a beneficial interest. The Company's transfer agent for the Series A Shares is Computershare Investor Services Inc. Questions regarding the redemption process may be directed to Computershare Investor Services Inc. at 1-800-564-6253 or by email to [corporateactions@computershare.com](mailto:corporateactions@computershare.com).

The Company also currently anticipates using a portion of its free cash flow to redeem all its outstanding 6.21% Cumulative 5-Year Rate Reset Preferred Shares Series C (due June 2024) and 5.903% Cumulative 5-Year Rate Reset Preferred Shares Series E (due September 2024) for approximate aggregate total amounts of \$128 million and \$133 million, respectively. Redeeming all the Company's high-cost legacy preferred shares will eliminate approximately \$5.9 million in cash dividends per quarter, once all redemptions are complete.

The Company also has approximately \$168 million in 4.25% convertible debentures as of September 30, 2023, that are convertible into an aggregate of approximately 14.6 million common shares in June 2024.

### Adjusted Operating Results

	For the three-month period ended			For the nine-month period ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(in \$000's for stated values, except per share amounts)	\$	\$	\$	\$	\$
<b>Net revenue</b>					
Servicing income, net	175,889	169,807	149,931	501,895	431,810
Net financing revenue	140,557	141,898	124,859	415,335	363,292

Syndication revenue, net	17,326	11,361	15,998	43,567	44,619
<b>Net revenue</b>	<b>333,772</b>	323,066	290,788	<b>960,797</b>	839,721
<b>Adjusted operating expenses</b>					
Salaries, wages and benefits	92,193	91,444	80,708	269,248	234,706
General and administrative expenses	38,911	36,775	29,654	112,244	86,395
Depreciation and amortization	17,832	16,704	15,020	50,833	44,411
<b>Adjusted operating expenses</b>	<b>148,936</b>	144,923	125,382	<b>432,325</b>	365,512
<b>Adjusted operating income</b>	<b>184,836</b>	178,143	165,406	<b>528,472</b>	474,209
Provision for taxes applicable to adjusted operating income	44,360	43,642	42,179	126,893	121,643
Cumulative preferred share dividends	5,946	5,946	5,923	17,839	22,129
After-tax adjusted operating income attributable to common shareholders	<b>134,530</b>	128,555	117,304	<b>383,740</b>	330,437
Weighted average number of shares outstanding [basic]	<b>389,511</b>	390,385	395,117	<b>390,696</b>	398,287
<b>After-tax adjusted operating income per share [basic]</b>	<b>0.35</b>	0.33	0.30	<b>0.98</b>	0.83
Net income	<b>128,793</b>	120,031	103,703	<b>355,308</b>	308,427
Earnings per share [basic]	<b>0.32</b>	0.29	0.25	<b>0.86</b>	0.72

### Adjusted Operating Results in constant currency<sup>3</sup>

	For the three-month period ended			For the nine-month period ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(in \$000's for stated values, except per share amounts)	\$	\$	\$	\$	\$
<b>Net revenue</b>					
Servicing income, net	175,889	169,601	154,282	501,895	451,118
Net financing revenue	140,557	143,312	134,885	415,335	392,933
Syndication revenue, net	17,326	11,447	16,491	43,567	46,774
<b>Net revenue</b>	<b>333,772</b>	324,360	305,658	<b>960,797</b>	890,825
Salaries, wages and benefits	92,193	91,542	83,457	269,248	245,542
General and administrative expenses	38,911	36,745	30,538	112,244	89,925
Depreciation and amortization	17,832	16,669	15,430	50,833	46,268
<b>Adjusted operating expenses</b>	<b>148,936</b>	144,956	129,425	<b>432,325</b>	381,735
<b>Adjusted operating income</b>	<b>184,836</b>	179,404	176,233	<b>528,472</b>	509,090
Provision for taxes applicable to adjusted operating income	44,360	43,955	44,077	126,893	130,582
Cumulative preferred share dividends	5,946	5,946	5,923	17,839	22,129
After-tax adjusted operating income attributable to common shareholders	<b>134,530</b>	129,503	126,233	<b>383,740</b>	356,379
Weighted average number of shares outstanding [basic]	<b>389,511</b>	390,385	395,117	<b>390,696</b>	398,287
<b>After-tax adjusted operating income per share [basic]</b>	<b>0.35</b>	0.33	0.31	<b>0.98</b>	0.89

### Conference Call and Webcast

A conference call to discuss these results will be held on Tuesday, November 7, 2023 at 8:00 a.m. Eastern Time.

The conference call and webcast can be accessed as follows:

**Webcast:** <https://services.choruscall.ca/links/elementfleet2023q3.html>

**Telephone:** [Click here](#) to join the call most efficiently, or dial one of the following numbers to speak with an operator:

Canada/USA toll-free: 1-800-319-4610

International: +1-604-638-5340

A taped recording of the conference call may be accessed through December 7, 2023 by dialing 1-800-319-6413 or +1-604-638-9010 and entering the access code 0419.

## Dividends Declared

On November 6, 2023, the Board authorized and declared a quarterly dividend of \$0.12 per outstanding common share of Element for the fourth quarter of 2023. The dividend will be paid on January 15, 2023 to shareholders of record as at the close of business on December 29, 2023.

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	\$0.4333125	December 15, 2023	December 29, 2023
Series C	EFN.PR.C	\$0.3881300	December 15, 2023	December 29, 2023
Series E	EFN.PR.E	\$0.3689380	December 15, 2023	December 29, 2023

Note: This will be the final quarterly dividend on the Series A Shares, although holders will receive on redemption of the Series A Shares all accrued and unpaid dividends up to but excluding the Redemption Date.

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).

## Normal Course Issuer Bid

Pursuant to the Company's current normal course issuer bid, under which the Company has approval from the TSX to purchase up to 39,228,719 common shares during the period from November 15, 2022 to November 14, 2023, 3,830,549 common shares were repurchased for cancellation as of September 30, 2023, for an aggregate amount of approximately \$70.9 million at a volume weighted average price of \$18.52 per common share.

Element applies trade date accounting in determining the date on which the share repurchase is reflected in the consolidated financial statements. Trade date accounting is the date on which the Company commits itself to purchase the shares.

In furtherance of the Company's return of capital plan, Element intends to renew its normal course issuer bid (the "2023 NCIB") for its common shares. If accepted by the TSX, the Company would be permitted under the 2023 NCIB to purchase for cancellation, through the facilities of the TSX or such other permitted means, up to 10% of the public float (calculated in accordance with TSX rules) of Element's issued and outstanding common shares during the 12 months following such TSX acceptance at prevailing market prices (or as otherwise permitted). The actual number of the Company's common shares, if any, that may be purchased under the 2023 NCIB, and the timing of any such purchases, will be determined by the Company, subject to applicable terms and limitations of the 2023 NCIB (including any automatic share purchase plan adopted in connection therewith). There cannot be any assurance as to how many common shares, if any, will ultimately be purchased pursuant to the 2023 NCIB. If the 2023 NCIB renewal is accepted by the TSX, any subsequent renewals of the 2023 NCIB will be in the discretion of the Company and subject to further TSX approval.

## Non-GAAP Measures and Supplemental Financial Measures

The Company's 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 Element adopted in accordance with IFRS. In addition to GAAP prescribed measures, the Company uses a variety of non-GAAP financial measures, non-GAAP ratios and supplemental financial measures to assess its performance. The composition and explanation of these measures are provided in this document where the measure is first disclosed if the labelling is not sufficiently descriptive. Non-GAAP and supplemental financial measures are reported in addition to, and should not be considered alternatives to, measures of performance according to IFRS.

The Company believes that certain non-GAAP and supplemental financial 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. Readers are cautioned that management used a number of terms and ratios throughout this news release 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 unaudited interim condensed financial statements for the quarter ended September 30, 2023.

## IFRS to Non-GAAP Reconciliations

The following table provides a reconciliation of IFRS to non-GAAP measures related to the operations of the Company:

	As at and for the three-month	As at and for the nine-month period
--	-------------------------------	-------------------------------------

		period ended			ended	
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(in \$000's for stated values)						
<b>Reported and adjusted income measures</b>						
Net income	A	<b>128,793</b>	120,031	103,703	<b>355,308</b>	308,427
Adjustments:						
Amortization of debenture discount		<b>1,033</b>	1,016	966	<b>3,048</b>	2,849
Share-based compensation		<b>7,335</b>	8,755	12,885	<b>32,489</b>	24,259
Amortization of intangible assets from acquisitions		<b>9,369</b>	9,378	9,144	<b>28,180</b>	27,011
Provision for income taxes		<b>38,553</b>	39,670	38,708	<b>109,664</b>	108,899
(Gain)/Loss on investments		<b>(247)</b>	(707)	—	<b>(217)</b>	2,764
<b>Before-tax adjusted operating income</b>	B	<b>184,836</b>	178,143	165,406	<b>528,472</b>	474,209
Provision for taxes applicable to adjusted operating income	C	<b>44,360</b>	43,642	42,179	<b>126,893</b>	121,643
<b>After-tax adjusted operating income</b>	D=B-C	<b>140,476</b>	134,501	123,227	<b>401,579</b>	352,566
Cumulative preferred share dividends during the period	Y	<b>5,946</b>	5,946	5,923	<b>17,839</b>	22,129
<b>After-tax adjusted operating income attributable to common shareholders</b>	D1=D-Y	<b>134,530</b>	128,555	117,304	<b>383,740</b>	330,437
Provision for income taxes		<b>38,553</b>	39,670	38,708	<b>109,664</b>	108,899
Adjustments:						
Pre-tax income		<b>4,508</b>	4,788	6,304	<b>16,451</b>	15,953
Foreign tax rate differential and other		<b>1,299</b>	(816)	(2,833)	<b>778</b>	(3,209)
<b>Provision for taxes applicable to adjusted operating income</b>		<b>44,360</b>	43,642	42,179	<b>126,893</b>	121,643
<b>Selected statement of financial position amounts</b>						
Total Finance receivables, before allowance for credit losses	E	<b>9,571,118</b>	9,288,500	7,706,220	<b>9,571,118</b>	7,706,220
Allowance for credit losses	F	<b>9,380</b>	10,095	10,143	<b>9,380</b>	10,143
Net investment in finance receivable	G	<b>6,602,732</b>	6,205,649	5,738,104	<b>6,602,732</b>	5,738,104
Equipment under operating leases	H	<b>3,290,669</b>	3,159,966	2,548,909	<b>3,290,669</b>	2,548,909
Net earning assets	I=G+H	<b>9,893,401</b>	9,365,615	8,287,013	<b>9,893,401</b>	8,287,013
Average net earning assets	J	<b>9,797,130</b>	9,133,747	8,069,879	<b>9,211,944</b>	8,083,879
Goodwill and intangible assets	K	<b>2,144,214</b>	2,110,852	2,179,821	<b>2,144,214</b>	2,179,821
Average goodwill and intangible assets	L	<b>2,135,408</b>	2,140,825	2,108,455	<b>2,141,710</b>	2,070,212
Borrowings	M	<b>10,373,479</b>	10,060,280	8,343,474	<b>10,373,479</b>	8,343,474
Unsecured convertible debentures	N	<b>167,983</b>	166,609	162,725	<b>167,983</b>	162,725
Less: continuing involvement liability	O	<b>(94,296)</b>	(74,770)	(41,062)	<b>(94,296)</b>	(41,062)
Total debt	P=M+N	<b>10,447,166</b>	10,152,119	8,465,137	<b>10,447,166</b>	8,465,137
Average debt	Q	<b>10,376,677</b>	9,769,160	8,196,262	<b>9,719,535</b>	8,165,416
Total shareholders' equity	R	<b>3,959,430</b>	3,920,227	3,585,869	<b>3,959,430</b>	3,585,869
Preferred shares	S	<b>365,113</b>	365,113	365,113	<b>365,113</b>	365,113
Common shareholders' equity	T=R-S	<b>3,594,317</b>	3,555,114	3,220,756	<b>3,594,317</b>	3,220,756
Average common shareholders' equity	U	<b>3,660,505</b>	3,552,720	3,114,995	<b>3,660,505</b>	3,029,142
Average total shareholders' equity	V	<b>4,025,618</b>	3,917,833	3,480,108	<b>4,025,618</b>	3,475,786

Non-GAAP and IFRS key annualized operating ratios and per share information of the operations of the Company:

	As at and for the three-month period ended	September	As at and for the nine-month period ended	September
	September	September	September	September

(in \$000's for stated values, except ratios and per share amounts)		<b>30, 2023</b>	June 30, 2023	30, 2022	<b>30, 2023</b>	30, 2022
---	--	---------------------	------------------	-------------	---------------------	-------------

### Key annualized operating ratios

#### Leverage ratios

Financial leverage ratio	P/R	<b>2.64</b>	2.59	2.36	<b>2.64</b>	2.36
Tangible leverage ratio	P/ (R-K)	<b>5.76</b>	5.61	6.02	<b>5.76</b>	6.02
Average financial leverage ratio	Q/V	<b>2.58</b>	2.49	2.36	<b>2.41</b>	2.35
Average tangible leverage ratio	Q/(V-L)	<b>5.49</b>	5.50	5.98	<b>5.16</b>	5.81

#### Other key operating ratios

Allowance for credit losses as a % of total finance receivables before allowance	F/E	<b>0.10%</b>	0.11%	0.13%	<b>0.10%</b>	0.13%
Adjusted operating income on average net earning assets	B/J	<b>7.55%</b>	7.80%	8.20%	<b>5.74%</b>	5.87%
After-tax adjusted operating income on average tangible total equity of Element	D/(V-L)	<b>29.73%</b>	30.28%	35.94%	<b>28.42%</b>	33.44%

#### Per share information

Number of shares outstanding	W	<b>389,218</b>	389,703	393,874	<b>389,218</b>	393,874
Weighted average number of shares outstanding [basic]	X	<b>389,511</b>	390,385	395,117	<b>390,696</b>	398,287
Pro forma diluted average number of shares outstanding	Y	<b>404,509</b>	405,505	411,669	<b>405,677</b>	414,583
Cumulative preferred share dividends during the period	Z	<b>5,946</b>	5,946	5,923	<b>17,839</b>	22,129
Other effects of dilution on an adjusted operating income basis	AA	<b>\$ 1,652</b>	\$ 1,638	\$ 1,607	<b>\$ 4,945</b>	\$ 4,802
Net income per share [basic]	(A-Z)/X	<b>\$ 0.32</b>	\$ 0.29	\$ 0.25	<b>\$ 0.86</b>	\$ 0.72
Net income per share [diluted]		<b>\$ 0.31</b>	\$ 0.29	\$ 0.24	<b>\$ 0.84</b>	\$ 0.70

#### After-tax adjusted operating income per share [basic]

(D1)/X	<b>\$ 0.35</b>	\$ 0.33	\$ 0.30	<b>\$ 0.98</b>	\$ 0.83
--------	----------------	---------	---------	----------------	---------

#### After-tax pro forma diluted adjusted operating income per share

(D1+AA)/Y	<b>\$ 0.34</b>	\$ 0.32	\$ 0.29	<b>\$ 0.96</b>	\$ 0.81
-----------	----------------	---------	---------	----------------	---------

The following table provides a reconciliation of the after-tax adjusted operating income per share and the after-tax pro-forma diluted adjusted operating income per share of the operations of the Company for the three-month period ended September 30, 2023:

(in \$000's for stated values, except per share amounts)	Amount \$	Weighted average number of shares outstanding applicable	Amount per share \$
Adjusted operating income before taxes	<b>184,836</b>		<b>0.47</b>
Less:			
Income taxes related to adjusted operating income	<b>(44,360)</b>		<b>(0.11)</b>
Preferred share dividends	<b>(5,946)</b>		<b>(0.02)</b>
After-tax adjusted operating income attributable to common shareholders	<b>134,530</b>	<b>389,511,424</b>	<b>0.35</b>
Dilution items:			
Employee stock option plan	—	<b>369,725</b>	—
Convertible debentures (after-tax net interest expense)	<b>1,652</b>	<b>14,627,599</b>	<b>(0.01)</b>
After-tax pro forma diluted adjusted operating income	<b>136,182</b>	<b>404,508,749</b>	<b>0.34</b>

### Adjusted Operating Expenses

The following table reconciles operating expenses as reported to adjusted operating expenses:

	For the three-month period ended			For the nine-month period ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
(in \$000's for stated values, except per share amounts)	\$	\$	\$	\$	\$
<b>Operating expenses</b>					
Salaries, wages and benefits	92,193	91,444	80,708	269,248	234,706
General and administrative expenses	38,911	36,775	29,654	112,244	86,395
Depreciation and amortization	17,832	16,704	15,020	50,833	44,411
Amortization of convertible debenture discount	1,033	1,016	966	3,048	2,849
Share-based compensation	7,335	8,755	12,885	32,489	24,259
<b>Operating expenses</b>	<b>157,304</b>	<b>154,694</b>	<b>139,233</b>	<b>467,862</b>	<b>392,620</b>
<b>Less:</b>					
Amortization of convertible debenture discount	1,033	1,016	966	3,048	2,849
Share-based compensation	7,335	8,755	12,885	32,489	24,259
<b>Adjusted operating expenses</b>	<b>148,936</b>	<b>144,923</b>	<b>125,382</b>	<b>432,325</b>	<b>365,512</b>

Element's unaudited interim condensed consolidated financial statements and related MD&A as at and for the three-and nine-month periods ended September 30, 2023 have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

### About Element Fleet Management

Element Fleet Management (TSX: EFN) is the largest publicly traded pure-play automotive fleet manager in the world, providing the full range of fleet services and solutions to a growing base of loyal, world-class clients – corporates, governments and not-for-profits – across North America, Australia and New Zealand. Element enjoys proven resilient cash flow, a significant proportion of which is returned to shareholders in the form of dividends and share buybacks; positive operating leverage; and an evolving capital-lighter business model that enhances return on equity. Element's services address every aspect of clients' fleet requirements, from vehicle acquisition, maintenance, accidents and remarketing, to integrating EVs and managing the complexity of gradual fleet electrification. Clients benefit from Element's expertise as the largest fleet solutions provider in its markets, offering unmatched economies of scale and insight used to reduce fleet operating costs and improve productivity and performance. For more information, visit [elementfleet.com/investor-relations](http://elementfleet.com/investor-relations).

Contact:

Rocco Colella  
 Director, Investor Relations  
 (437) 349-3796  
[rcolella@elementcorp.com](mailto:rcolella@elementcorp.com)

*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 enhancements to clients' service experience and service levels; enhancement of financial performance; improvements to client retention trends; reduction of operating expenses; increases in efficiency; EV strategy and capabilities; global EV adoption rates; dividend policy and the payment of future dividends; Element's expectation and ability to redeem its preferred shares; the costs and benefits of strategic initiatives; creation of value for all stakeholders; expectations regarding syndication; growth prospects and expected revenue growth; level of workforce engagement; improvements to magnitude and quality of earnings; executive hiring and retention; focus and discipline in investing; balance sheet management and plans with respect to leverage ratios; anticipated benefits of the balanced scorecard initiative; Element's proposed share purchases, including the number of common shares to be repurchased, the timing thereof and TSX acceptance of the NCIB and any renewal thereof; and expectations regarding financial performance. 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 Element's 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. Such risks and uncertainties include those regarding the fleet management and finance industries, economic factors and many other factors beyond the control of Element. A discussion of the material risks and assumptions associated with this outlook can be found in Element's annual MD&A, and Annual Information Form for the year ended December 31, 2022, each of which has been filed on SEDAR and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca). 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.*

<sup>1</sup> "Organic" Q3 2022 results exclude the impact of \$17 million in non-recurring net revenue generated (and disclosed as such) in Q3 2022.

<sup>2</sup> \$3.9 million of Element's Q3 2023 operating expenses were non-recurring setup costs for the strategic initiatives announced today. Element expects the majority of the remaining \$21-26 million (total) to be incurred in the next three quarters (*ie.* Q4 2023, Q1 2024 and Q2 2024).

<sup>3</sup> Please refer to the Effect of Foreign Currency Exchange Rate Changes section of the MD&A for reconciliations of certain non-GAAP "constant currency" measures to their counterpart IFRS measures as reported.