



Element Reports Record First Quarter Results

Amounts in US\$ unless otherwise noted

- Record quarterly net revenue of US\$262.5 million driving record adjusted EPS of US\$0.27 and adjusted free cash flow per share of US\$0.35
- Solid net revenue growth of 16.8% led by continued strength in services revenue
- Strong performance enables continued investment in our business for our clients while maintaining solid adjusted operating margins
- Management remains confident in its ability to meet, or potentially exceed, the upper end of guidance on most metrics

TORONTO, May 14, 2024 -- 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 March 31, 2024.

The following tables presents Element's selected financial results in U.S. dollars unless otherwise noted.

In US\$ millions, except percentages and per share amount and unless otherwise noted	Q1 2024 ¹	Variances to Q1 2023	
	US\$	US\$	%
Selected financial results - as reported:			
Net revenue	262.5	37.8	16.8%
Pre-tax income	123.0	21.0	20.6%
Pre-tax income margin	46.9%	150 bps	
Earnings per share (EPS) [basic]	0.23	0.04	21.1%
<i>Earnings per share (EPS) [basic] [\$CAD]</i>	<i>0.31</i>	<i>0.05</i>	<i>19.2%</i>
Adjusted results (excludes one-time strategic project costs in Q1 2024) ¹			
Adjusted net revenue ²	262.5	37.8	16.8%
Adjusted operating income (AOI) ²	143.6	21.3	17.4%
Adjusted operating margin ²	54.7%	30 bps	
Adjusted EPS ² [basic]	0.27	0.04	17.4%
<i>Adjusted EPS² [basic] [\$CAD]</i>	<i>0.36</i>	<i>0.05</i>	<i>16.1%</i>
Other highlights:			
Adjusted free cash flow per share ² (FCF/sh)	0.35	0.07	25.0%
<i>Adjusted free cash flow per share² (FCF/sh) [\$CAD]</i>	<i>0.47</i>	<i>0.10</i>	<i>27.0%</i>
Originations (excluding Armada)	1,542	137.2	9.8%

1. Q1 2024 includes US\$2.1 million in one-time strategic project costs [Q1 2023 - nil].

2. Adjusted results are non-GAAP or supplemental financial measures, which do not have any standard meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "IFRS to Non-GAAP Reconciliations" section in this earnings release. The Company uses "Adjusted Results" because it believes that they provide useful information to investors regarding its performance and results of operations.

Commenting on Element's financial performance, Laura Dottori-Attanasio, Chief Executive Officer said, "Element delivered another quarter of strong growth in services revenue reinforcing positive market dynamics, resilient client demand and the trust our clients place in our dedicated team members. Our solid performance provided the opportunity to accelerate some investments in our business this quarter. We remain confident in our ability to continue to deliver value for our clients and shareholders."

Net revenue growth

Element grew net revenue 16.8% over Q1 2023 ("year-over-year") to US\$262.5 million led largely by strong services revenue growth and, to a lesser extent, growth in net financing revenue.

Service revenue

Services revenue is the key pillar of Element's capital-lighter business model, which improves the Company's return on equity profile.

Q1 2024 services revenue grew 27.3% year-over-year to US\$147.1 million driven primarily by heightened penetration and utilization rates of our service offerings from new and existing clients, and stronger revenue generation in Mexico. Q1 2024 services revenue benefitted from US\$7.0 million in certain items which are unlikely to repeat in 2024. Excluding these amounts, services revenue grew by 21.3% or US\$24.6 million year-over-year and 8.0% or US\$10.4 million quarter-over-quarter. In Q1 2024, Element accelerated investments in the business which partially offset the benefits of those items in Adjusted Operating Income.

Net financing revenue

Q1 2024 net financing revenue grew US\$9.0 million or 9.1% from Q1 2023 and grew US\$5.0 million or 4.9% quarter-over-quarter. Year-over-year growth was largely as a result of higher net earning assets associated with higher originations. This increase was partly offset by higher funding costs year-over-year. Gain on sale ("GOS") was largely unchanged year-over-year as higher GOS in Mexico was mostly offset by lower GOS in ANZ.

Syndication volume

We syndicated US\$473.2 million of assets in Q1 2024 - US\$33.5 million or 6.6% less volume than Q1 last year. This decrease reflects a strategic decision to postpone the syndication of certain assets to the second half of 2024 pending the outcome of proposed U.S. tax legislation changes. The demand for Element's assets remains strong and this postponement underscores a calculated approach to fiscal prudence.

Adjusted operating income

AOI was US\$143.6 million this quarter, an increase of US\$21.3 million or 17.4% year-over-year — amounting to adjusted EPS of US\$0.27 for Q1 2024, which is a 4 cent increase year-over-year.

Element expanded adjusted pre-tax return on common equity by 200 basis points year-over-year to 19.7% in Q1 2024.

Originations

Element originated US\$1.5 billion of assets in Q1 2024 (excluding Armada), which is a US\$137.2 million or 9.8% increase year-over-year and consistent with the Company's forecast.

The table below sets out the geographic distribution of originations (excluding Armada) for the three-month periods indicated.

(in U.S.\$000's) (Excluding Armada)	March 31, 2024		March 31, 2023		Variance to Q1 2023	
	US\$	%	US\$	%	US\$	%
United States and Canada	1,182,987	76.7	1,072,166	76.3	110,821	10.3%
Mexico	259,143	16.8	231,926	16.5	27,217	11.7%
Australia and New Zealand	99,753	6.5	100,555	7.2	(802)	(0.8)%
Total	1,541,883	100.0	1,404,647	100.0	137,236	9.8%

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

On an adjusted basis, Element generated US\$0.35 of adjusted free cash flow ("FCF") per share in Q1 2024 – 7 cents more year-over-year driven primarily by an increase in net revenues and higher originations, while investing \$19.0 million in total capital investments this quarter.

Element returned \$38.2 million of cash to common shareholders through dividends and buybacks of common shares in Q1 2024.

Full-year 2024 guidance

Element remains confident in its ability to meet, or potentially exceed, the upper end of guidance on most metrics as a result of its strong first quarter results, sustained commercial success and resilient client demand.

The following table highlights Element's full-year 2024 guidance ranges compared to full-year 2023 results.

In US\$ unless otherwise noted	FY 2023 - U.S. Dollars	2024 Guidance - U.S. Dollars
Net revenue	\$959.1 million	\$1.020 - 1.040 billion
<i>Implied YoY Growth</i>		6-8%
Adjusted operating margin	55.3%	55.0% - 55.5%
Adjusted operating income	\$530.6 million	\$560 – 575 million
<i>Implied YoY Growth</i>		6-8%
Adjusted EPS [basic]	\$0.98	\$1.05 - 1.09
<i>Implied YoY Growth</i>		7-11%

Adjusted free cash flow per share <i>Implied YoY Growth</i>	\$1.24	\$1.31 - 1.34 6-8%
Originations (excl Armada) <i>Implied YoY Growth</i>	\$6.3 billion	\$7.0 - 7.4 billion 11-17%

Certain implied year-over-year growth amounts shown in this table may not calculate exactly due to rounding.

Element's full-year 2023 results and 2024 guidance exclude non-recurring setup costs associated with its strategic initiatives.

Strategic initiatives update

As previously disclosed, the Company plans to optimize its business further by centralizing accountability for its U.S. and Canadian leasing operations and establishing a strategic sourcing presence in Asia. The Company continues to expect these initiatives to generate between US\$30 - \$45 million (CAD \$40 - \$60 million) of run-rate net revenue, and between US\$22 - \$37 million (CAD \$30 - \$50 million) of run-rate adjusted operating income ("AOI"), by full-year 2028. The above initiatives require approximately US\$22 million (total) (CAD \$30 million) in non-recurring setup costs, of which US\$2.1 million were incurred in Q1 2024 (Q1 2023 - nil). In 2023, the Company incurred US\$13.7 million, in aggregate, in such costs.

The Company is also prioritizing digitization and automation initiatives to enable future growth and drive operational efficiencies.

Centralizing accountability for U.S. and Canadian leasing

In late March 2024, the Company entered into a lease agreement with Union Investment and Hines for premier and LEED Platinum-certified office space in Dublin's city center. This transaction marks a significant milestone in the establishment of the Company's new centralized leasing function in Ireland. This initiatives remains on track to be operational by mid-2024.

Strategic sourcing

On April 24, 2024, the Company commenced operations in Singapore, marking a significant milestone in its ongoing strategic initiative to enhance its global procurement capabilities and strategic sourcing relationships in Asia. Concurrently, the Company entered into its first collaboration agreement with a strategic sourcing supplier.

The Company also welcomed Christine Lee Barber, Head of Asia Operations, to lead its operations in Singapore. She brings in-depth knowledge and expertise within the region, and will be accountable for strategic sourcing and relationship management in order to solidify and expand the Company's relationships with Asian-based original equipment manufacturers (OEMs).

Digitization and automation

Element continues to advance its digital and automation initiatives to elevate the client experience, improve operational efficiency, and deepen client relationships with a focus on growing capital-light service revenues. Element strives to position itself as a leading industry player in supporting clients to navigate the rapidly evolving mobility and vehicle connectivity landscape efficiently.

The Company is modernizing its technology platform and business processes to accelerate innovation and deliver value for its clients. These forward-looking investments in Element's and its clients' future include transitioning towards more agile, scalable, and secure cloud-based solutions and creating a globally unified, digitally enabled technology platform that strives to further streamline operations. Investments in Ordering, Collateral Services, and Enterprise Resource Planning are being made to deliver superior client experiences and support when and where clients, drivers, partners, and employees need them most.

Capital structure

Redemption of all outstanding 6.21% Cumulative 5-Year Rate Reset Preferred Shares Series C

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 6.21% Cumulative 5-Year Rate Reset Preferred Shares Series C (the "Series C Shares") as set out in the Company's articles – all of its 5,126,400 issued and outstanding Series C Shares on June 30, 2024 (the "Share Redemption Date") for a redemption price equal to CAD\$25.00 per Series C Share for an aggregate total amount of approximately US\$94.6 million (CAD\$128 million), together with all accrued and unpaid dividends up to but excluding the Share 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 Share Redemption Date to the sole registered holder of the Series C Shares in accordance with the terms of the Series C Shares as set out in the Company's articles. Non-registered holders of Series C Shares should contact their broker or other intermediary for information regarding the redemption process for the Series C Shares in which they hold a beneficial interest. The Company's transfer agent for the Series C Shares is Computershare Investor Services Inc. ("Computershare Investor Services"). Questions regarding the redemption process may be directed to Computershare Investor Services at 1-800-564-6253 or by email to corporateactions@computershare.com.

Following their redemption on June 30, 2024, the Series C Shares will be de-listed from and no longer trade on the Toronto Stock Exchange ("TSX").

The Company also currently anticipates using a portion of its free cash flow to redeem all its outstanding 5.903% Cumulative 5-Year Rate Reset Preferred Shares Series E (due September 2024) for an approximate aggregate total amount of US\$98.2 million (CAD\$133 million).

Redemption of all outstanding 4.250% Convertible Unsecured Subordinated Debentures

The Company has also announced today its intention to redeem all of its currently outstanding 4.250% Convertible Unsecured Subordinated Debentures (the "Debentures") due June 30, 2024. The Debentures will be called for redemption early by the Company on June 26, 2024 (the "Debenture Redemption Date"). The Debentures are listed on the TSX under the symbol EFN.DB.B. As at March 31, 2024, the net carrying value of the Debentures was US\$126.1 million.

On the Debenture Redemption Date, the Company will pay holders of the Debentures a redemption price equal to the principal amount of Debentures held, plus accrued and unpaid interest thereon up to but excluding the Debenture Redemption Date, less any taxes required to be deducted or withheld. Notice of redemption has been delivered to the registered holder(s) of the Debentures through the debenture trustee, Computershare Trust Company of Canada ("Computershare Trust"), in accordance with the trust indenture governing the Debentures between the Company and Computershare Trust dated April 5, 2019.

Prior to the Debenture Redemption Date, beneficial holders of the Debenture will have the right to convert their Debentures into Common Shares at a conversion price of approximately CAD\$11.77391 per Common Share. Assuming the Debentures are fully converted prior to the Debenture Redemption Date, the Company expects to issue and deliver to the holders of the Debentures approximately 14.6 million shares from Treasury or approximately 3.8% of Common Shares issued and outstanding as at March 31, 2024.

Beneficial holders of the Debentures are encouraged to contact their investment dealer if they have any questions about this redemption.

Conference call and webcast

A conference call to discuss these results will be held on Wednesday, May 15, 2024 at 8:00 a.m. Eastern Time.

The conference call and webcast can be accessed as follows:

Webcast: <https://services.choruscall.ca/links/elementfleet2024q1.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: 1-844-763-8274

International: +1-647-484-8814

A taped recording of the conference call may be accessed through June 15, 2024 by dialing 1-855-669-9658 or +1-604-674-8052 and entering the access code 0787.

Dividends declared

The Company's Board has authorized and declared a quarterly dividend of CAD\$0.12 per outstanding common share of Element for the second quarter of 2024. The dividend will be paid on July 15, 2024 to shareholders of record as at the close of business on June 28, 2024.

Element's Board of Directors also declared the following dividends on Element's preferred shares:

Series	TSX Ticker	Amount (CAD\$)	Record Date	Payment Date
Series C	EFN.PR.C	\$0.3881300	June 14, 2024	June 28, 2024
Series E	EFN.PR.E	\$0.3689380	June 14, 2024	June 28, 2024

Note: This will be the final quarterly dividend payment on the Series C Shares prior to their planned redemption on June 28, 2024 as disclosed earlier in this press release. Holders will receive on the Redemption Date of the Series C 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

On November 13, 2023, the TSX approved the Company's intention to renew its normal course issuer bid (the "2023 NCIB"). Under the 2023 NCIB, the Company has approval from the TSX to purchase up to 38,852,159 common shares during the period from November 15, 2023, to November 14, 2024. There cannot be any assurance as to how many common shares, if

any, will ultimately be purchased pursuant to the 2023 NCIB.

During Q1 2024, we purchased 281,500 common shares for cancellation, for an aggregate amount of approximately US\$4.6 million (CAD\$6.2 million) at a volume weighted average price of CAD\$21.97 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.

IFRS to Non-GAAP Reconciliations, Non-GAAP Measures and Supplemental Information

The Company's audited consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and the accounting policies we adopted in accordance with IFRS. These audited consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary to present fairly our financial position as at March 31, 2024 and March 31, 2023, the results of operations, comprehensive income and cash flows for the three-month periods-ended March 31, 2024 and March 31, 2023.

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		
(in US\$000's except ratios and per share amounts or unless otherwise noted)		March 31, 2024	December 31, 2023	March 31, 2023
Key annualized operating ratios				
Leverage ratios				
Financial leverage ratio	P/R	3.08	2.74	2.46
Tangible leverage ratio	P/ (R-K)	6.68	5.99	5.57
Average financial leverage ratio	Q/V	2.81	2.66	2.36
Average tangible leverage ratio	Q/(V-L)	6.15	5.77	5.39
Other key operating ratios				
Allowance for credit losses as a % of total finance receivables before allowance	F/E	0.08%	0.08%	0.12%
Adjusted operating income on average net earning assets	B/J	7.34%	7.20%	7.60%
Adjusted operating income on average tangible total equity of Element	D/(V-L)	32.37%	29.34%	30.26%
Per share information				
Number of shares outstanding	W	388,926	389,169	391,571
Weighted average number of shares outstanding [basic]	X	389,161	389,115	392,220
Pro forma diluted average number of shares outstanding	Y	404,118	404,068	408,966
Cumulative preferred share dividends during the period	Z	2,919	4,418	4,343
Other effects of dilution on an adjusted operating income basis	AA	\$ 1,222	\$ 1,184	\$ 1,225
Net income per share [basic]	(A-Z)/X	\$ 0.23	\$ 0.20	\$ 0.19
Net income per share [diluted]		\$ 0.23	\$ 0.19	\$ 0.18
Adjusted EPS [basic]	(D1)/X	\$ 0.27	\$ 0.25	\$ 0.23
Adjusted EPS [diluted]	(D1+AA)/Y	\$ 0.26	\$ 0.24	\$ 0.22

Management also uses a variety of both IFRS and non-GAAP and Supplemental Measures, and non-GAAP ratios to monitor and assess their operating performance. The Company uses these non-GAAP and Supplemental Financial Measures because they believe that they may provide useful information to investors regarding their performance and results of operations.

The following table provides a reconciliation of certain IFRS to non-GAAP measures related to the operations of the Company and other supplemental information.

		For the three-month period ended		
(in US\$000's except per share amounts or unless otherwise noted)		March 31, 2024	December 31, 2023	March 31, 2023
Reported results		US\$	US\$	US\$
Services income, net		147,053	129,657	115,482
Net financing revenue		107,178	102,211	98,225

Syndication revenue, net		8,226	13,261	10,945
Net revenue		262,457	245,129	224,652
Operating expenses		132,499	134,085	115,204
Operating income		129,958	111,044	109,448
Operating margin		49.5%	45.3%	48.7%
Total expenses		139,478	141,716	122,719
Income before income taxes		122,979	103,413	101,933
Net income	A	93,817	81,567	78,687
EPS [basic]		0.23	0.20	0.19
EPS [diluted]		0.23	0.19	0.18
Adjusting items				
<i>Impact of adjusting items on operating expenses:</i>				
Strategic initiatives costs – Salaries, wages, and benefits		485	5,329	—
Strategic initiatives costs – General and administrative expenses		1,640	5,437	—
Share-based compensation		10,731	12,346	12,086
Amortization of convertible debenture discount		793	772	739
Total impact of adjusting items on operating expenses		13,649	23,884	12,825
Total pre-tax impact of adjusting items		13,649	23,884	12,825
Total after-tax impact of adjusting items		10,305	17,667	9,811
Total impact of adjusting items on EPS [basic]		0.03	0.05	0.03
Total impact of adjusting items on EPS [diluted]		0.03	0.04	0.02

					For the three-month period ended		
(in US\$000's except per share amounts or unless otherwise noted)					March 31,	December 31,	March 31,
					2024	2023	2023
Adjusted results					US\$	US\$	US\$
Adjusted net revenue		262,457	245,129	224,652			
Adjusted operating expenses		118,850	110,201	102,379			
Adjusted operating income		143,607	134,928	122,273			
Adjusted operating margin		54.7%	55.0%	54.4%			
Provision for income taxes		29,162	21,846	23,246			
Adjustments:							
Pre-tax income		5,390	8,184	5,272			
Foreign tax rate differential and other		632	5,092	216			
Provision for taxes applicable to adjusted results	C	35,184	35,122	28,734			
Adjusted net income		108,423	99,806	93,539			
Adjusted EPS [basic]		0.27	0.25	0.23			
Adjusted EPS [diluted]		0.26	0.24	0.22			

The following table summarizes key statement of financial position amounts for the periods presented.

Selected statement of financial position amounts					For the three-month period ended		
(in US\$000's unless otherwise noted)					March 31,	December 31,	March 31,
					2024	2023	2023
					US\$	US\$	US\$
Total Finance receivables, before allowance for credit losses	E	7,478,974	7,225,093	6,365,708			
Allowance for credit losses	F	5,794	5,539	7,535			
Net investment in finance receivable	G	5,349,038	4,964,175	4,303,404			
Equipment under operating leases	H	2,685,015	2,646,158	2,224,087			
Net earning assets	I=G+H	8,034,053	7,610,333	6,527,491			
Average net earning assets	J	7,825,155	7,494,561	6,437,978			
Goodwill and intangible assets	K	1,587,465	1,596,323	1,589,831			
Average goodwill and intangible assets	L	1,588,981	1,589,182	1,592,708			
Borrowings	M	9,021,567	8,018,132	6,930,101			
Unsecured convertible debentures	N	126,108	127,816	122,018			
Less: continuing involvement liability	O	(87,199)	(81,851)	(45,787)			
Total debt	P=M+N-O	9,060,476	8,064,097	7,006,332			
Average debt	Q	8,239,147	7,855,986	6,665,307			
Total shareholders' equity	R	2,944,588	2,943,828	2,848,465			

Preferred shares	S	181,077	181,077	263,380
Common shareholders' equity	T=R-S	2,763,511	2,762,751	3,315,860
Average common shareholders' equity	U	2,747,716	2,713,843	2,565,689
Average total shareholders' equity	V	2,928,793	2,949,789	2,829,070

Throughout this press release, management uses the following terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. Non-GAAP measures are reported in addition to, and should not be considered alternatives to, measures of performance according to IFRS.

Adjusted operating expenses

Adjusted operating expenses are equal to salaries, wages and benefits, general and administrative expenses, and depreciation and amortization less adjusting items impacting operating expenses. The following table reconciles the Company's reported expenses to adjusted operating expenses.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended		
	March 31, 2024	December 31, 2023	March 31, 2023
	US\$	US\$	US\$
Reported Expenses	139,478	141,716	122,719
Less:			
Amortization of intangible assets from acquisitions	6,979	6,971	6,977
Loss on investments	—	660	538
Operating expenses	132,499	134,085	115,204
Less:			
Amortization of convertible debenture discount	793	772	739
Share-based compensation	10,731	12,346	12,086
Strategic initiatives costs - Salaries, wages and benefits	485	5,329	—
Strategic initiatives costs - General and administrative expenses	1,640	5,437	—
Total adjustments	13,649	23,884	12,825
Adjusted operating expenses	118,850	110,201	102,379

Adjusted operating income or Pre-tax adjusted operating income

Adjusted operating income reflects net income or loss for the period adjusted for the amortization of debenture discount, share-based compensation, amortization of intangible assets from acquisitions, provision for or recovery of income taxes, loss or income on investments, and adjusting items from the table below.

The following tables reconciles income before taxes to adjusted operating income.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended		
	March 31, 2024	December 31, 2023	March 31, 2023
	US\$	US\$	US\$
Income before income taxes	122,979	103,413	101,933
Adjustments:			
Amortization of convertible debenture discount	793	772	739
Share-based compensation	10,731	12,346	12,086
Amortization of intangible assets from acquisition	6,979	6,971	6,977
Loss on investments	—	660	538
Adjusting Items:			
Strategic initiatives costs - Salaries, wages and benefits	485	5,329	—
Strategic initiatives costs - General and administrative expenses	1,640	5,437	—
Total pre-tax impact of adjusting items	2,125	10,766	—
Adjusted operating income	143,607	134,928	122,273

Adjusted operating margin

Adjusted operating margin is the adjusted operating income before taxes for the period divided by the net revenue for the period.

After-tax adjusted operating income

After-tax adjusted operating income reflects the adjusted operating income after the application of the Company's effective tax

rates.

Adjusted net income

Adjusted net income reflects reported net income less the after-tax impacts of adjusting items. The following table reconciles reported net income to adjusted net income.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended		
	March 31, 2024	December 31, 2023	March 31, 2023
	US\$	US\$	US\$
Net income	93,817	81,567	78,687
Amortization of convertible debenture discount	793	772	739
Share-based compensation	10,731	12,346	12,086
Amortization of intangible assets from acquisition	6,979	6,971	6,977
Loss on investments	—	660	538
Strategic initiatives costs - Salaries, wages and benefits	485	5,329	—
Strategic initiatives costs - General and administrative expenses	1,640	5,437	—
Provision for income taxes	29,162	21,846	23,246
Provision for taxes applicable to adjusted results	(35,184)	(35,122)	(28,734)
Adjusted net income	108,423	99,806	93,539

After-tax adjusted operating income attributable to common shareholders

After-tax adjusted operating income attributable to common shareholders is computed as after-tax adjusted operating income less the cumulative preferred share dividends for the period.

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 – corporations, governments, and not-for-profits – across North America, Australia, and New Zealand. 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 one of the largest fleet solutions providers in its markets, offering economies of scale and insight used to reduce fleet operating costs and improve productivity and performance. For more information, visit elementfleet.com/investor-relations.

This press release includes forward-looking statements regarding Element and its business. Such statements are based on management's current expectations and views of future events. 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 financial performance, enhancements to clients' service experience and service levels; improvements to client retention trends; reduction of operating expenses; increases in efficiency; Element's ability to achieve its sustainability objectives; 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 and convertible debentures; 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; and 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. 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, regulatory landscape 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, 2023, each of which has been filed on SEDAR+ and can be accessed at 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.

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