

## Element Reports Record Quarterly Results for Q2 2025

- Q2 2025 performance underscores the resilience of the Company's business model amid the shifting macroeconomic backdrop
- Net revenues grew 6% year-over-year, supported by higher services and net financing revenue despite an unfavourable foreign currency translation impact of \$10 million
- Q2 2025 adjusted operating expense<sup>1,2</sup> increased 5% year-over-year, maintaining the trend of moderating growth and resulting in an adjusted operating margin of 55.8%
- Excluding the year-over-year impact of foreign exchange translation, the 9% increase in revenue exceeded the 7% rise in expenses, which underpinned adjusted operating margin expansion of 100 basis points and operating leverage of +2.5%
- On an adjusted basis<sup>2</sup>, diluted EPS of \$0.30 in Q2 2025 represented a 7% year-over-year increase, diluted free cash flow per share of \$0.40 grew 8%, and the Company generated a return on equity of 17.5%; up from 16.3% in Q2 2024
- The global committed order pipeline ended June at \$1.7 billion, indicative of continued strong client demand, alongside the traditional seasonal strength in originations during Q2 2025 (\$1.9 billion)
- Expect to end full-year 2025 at-or-above the high-end of its Guidance ranges in all metrics, with the exception of originations
- Repurchased 3.1 million common shares under its normal course issuer bid in the first six-months of 2025 for total consideration of approximately \$64 million

**TORONTO, ON, August 6, 2025** - Element Fleet Management Corp. (TSX:EFN) ("Element" or the "Company"), the largest publicly traded, pure-play automotive fleet manager in the world, today announced financial and operating results for the three months ended June 30, 2025. The following table presents Element's selected financial results.

	Q2 2025	Q1 2025	Q2 2024	QoQ	YoY
In <b>US\$ millions</b> , except percentages and per share amount				%	%
<b>Selected results - as reported</b>					
Net revenue	<b>290.0</b>	275.7	274.6	5%	6%
Pre-tax income	<b>143.5</b>	136.5	135.2	5%	6%
Pre-tax income margin	<b>49.5 %</b>	49.5 %	49.2 %	— bps	30 bps
Earnings per share (EPS) [diluted]	<b>0.28</b>	0.25	0.25	12%	12%
<b>Adjusted results<sup>1,2</sup></b>					
Adjusted net revenue <sup>2</sup>	<b>290.0</b>	275.7	274.6	5%	6%
Adjusted operating income (AOI) <sup>2</sup>	<b>161.9</b>	150.8	152.9	7%	6%
Adjusted operating margin <sup>2</sup>	<b>55.8 %</b>	54.7 %	55.7 %	110 bps	10 bps
Adjusted EPS <sup>2</sup> [diluted]	<b>0.30</b>	0.28	0.28	8%	7%
<b>Other highlights:</b>					
Adjusted free cash flow per share <sup>2</sup> (FCF/sh) - diluted	<b>0.40</b>	0.36	0.37	11%	8%
Originations	<b>1,894</b>	1,509	1,976	26%	(4%)
Vehicles under management	<b>1,512</b>	1,514	1,499	—%	1%
Adjusted ROE <sup>2</sup>	<b>17.5 %</b>	16.7 %	16.3 %	80 bps	120 bps

1. Q2 2024 and Q1 2024 included \$2 million and \$2 million, respectively, in strategic project costs attributable to the Company's leasing initiative in Ireland. These strategic costs were completed in Q3 2024 and, in aggregate, were \$2 million below planned investment as previously communicated.
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.

"Our performance is a reflection of the strength and resilience of our business model," said Laura Dottori-Attanasio, Chief Executive Officer of Element. "We are committed to delivering excellence to our clients and partners while navigating through evolving economic conditions. As we continue to modernize the fleet ecosystem through digital innovation and intelligent solutions, enhancing the client experience remains our singular focus, anchored by our Purpose to *Move the world through intelligent mobility*."

Dottori-Attanasio continued, "We continue to leverage our broad expertise to help clients manage their fleets more efficiently, more sustainably, and with greater agility. By evolving our service model and collaborating with strategic, like-minded partners, we are creating greater value and redefining what exceptional fleet and mobility management delivers. Looking ahead, we are focused on accelerating our platform automation, driving new opportunities for growth in our business, and creating long-term value for all Element stakeholders."

### **Net revenue growth**

Element's Q2 2025 net revenue increased 6% from Q2 2024 ("year-over-year") to \$290 million, primarily driven by higher services and net financing revenue. Foreign exchange translation had a negative impact year-over-year, particularly the Mexican Peso and Australian dollar, which depreciated against the U.S. dollar by approximately 13% and 3%, respectively, reducing net revenue by \$10 million.

Q2 2025 net revenue increased by \$14 million or 5% from Q1 2025 ("quarter-over-quarter") led largely by double-digit net financing revenue growth.

### **Service revenue**

Element's largely unlevered services revenue is an important driver of the Company's growth and the key pillar of its capital-light business model, which has improved the return on equity profile.

Q2 2025 services revenue increased 8% year-over-year to \$151 million. This growth reflects higher penetration and utilization rates of the Company's service offerings to new and existing clients. Partly offsetting this increase was the impact of foreign currency exchange translation, which reduced services revenue by \$3 million.

Q2 2025 services revenue decreased 1% quarter-over-quarter from Q1 2025.

### **Net financing revenue**

Q2 2025 net financing revenue grew \$5 million or 4% year-over-year, as we continue to see the benefits from both our leasing business initiatives and associated funding operations. Partly offsetting this was higher funding costs associated with financing the redemptions of preferred shares (previously recorded below the AOI line) and the impact of incremental debt due to the acquisition of Autofleet. Higher gain on sale ("GOS") in both ANZ and Mexico contributed to the year-over-year increase. The aggregate impact of foreign currency exchange translation reduced net financing revenue by \$7 million.

Q2 2025 net financing revenue increased \$16 million or 14% from Q1 2025. This quarter-over-quarter increase was primarily the result of higher net earning assets associated with higher originations in the US., Canada and Mexico regions. GOS momentum remains strong, attributed to higher volumes and favourable pricing in Mexico and ANZ, respectively.

### **Syndication volume**

The Company syndicated \$537 million of assets in Q2 2025, representing a decrease of \$418 million or 44% year-over-year, and \$37 million or 6% quarter-over-quarter.

Q2 2025 syndication revenue of \$12 million was consistent with the level generated in Q2 2024,

despite the reduction in syndication volume. This was due to the strategic deferral of select activities to the second half of the year, in anticipation of U.S. tax legislation changes, offset by stronger net yields largely driven by client mix. Despite the timing shift, investor demand for the Company's syndication products remains robust.

Q2 2025 syndication revenue was essentially unchanged from the Q1 2025 level. This was mainly due to the same reasons outlined in the preceding year-over-year discussion.

### **Adjusted operating expenses**

Q2 2025 adjusted operating expenses of \$128 million increased by \$6 million or 5% year-over-year. This growth was primarily driven by higher general and administrative expenses related to business development. Higher depreciation and amortization also contributed to the increase. The impact of foreign currency exchange translation was a \$2 million tailwind.

Adjusted operating expenses increased by \$3 million or 3% quarter-over-quarter, largely due to higher general and administrative expenses. The increase was attributable to higher software and professional fees, partly offset by lower promotional and advertising spend.

We expect operating expense growth to remain well-contained for the balance of 2025 as the benefits from investments made in 2024 continue to materialize.

### **Adjusted operating income and adjusted operating margins**

Q2 2025 AOI was \$162 million, an increase of \$9 million or 6% year-over-year. The impact on AOI resulting from unfavourable foreign exchange movements was \$8 million on a year-over-year basis.

Q2 2025 AOI increased \$11 million or 7% quarter-over-quarter, primarily due to higher revenue.

Q2 2025 adjusted operating margin was 55.8%, up modestly from 55.7% in Q2 2024 and marking a quarter-over-quarter expansion of 110 basis points.

### **Originations**

Element originated \$1.9 billion of assets in Q2 2025, an \$82 million or 4% decrease year-over-year reflecting foreign exchange translation headwinds impacting originations in Canada, Mexico, Australia and New Zealand. Excluding the impact of foreign exchange, total originated assets declined 2% year-over-year.

Q2 2025 originations increased \$386 million or 26% quarter-over-quarter led largely by originations growth in U.S., Canada and Mexico.

Order volumes showed strong growth year-over-year. The Company remains confident in the sustained client order momentum, underpinned by enhancements delivered through its U.S. & Canada Leasing strategic initiative based in Ireland, which is expected to support solid origination volumes in the quarters ahead.

The table below sets out the geographic distribution of Element's originations for the three-month periods indicated.

(in US\$000's for stated values)	June 30, 2025		June 30, 2024	
	\$	%	\$	%
United States and Canada	1,511,929	79.8 %	1,599,955	81.0 %
Mexico	285,031	15.0 %	252,573	12.8 %
Australia and New Zealand	97,420	5.1 %	123,486	6.2 %
Total	\$ 1,894,380	100.0 %	1,976,014	100.0 %

### Adjusted free cash flow per share and returns to shareholders

On an adjusted basis, Element generated \$0.40 of diluted adjusted free cash flow ("FCF") per share in Q2 2025, up 8% year-over-year and up 11% quarter-over-quarter.

During Q2 2025, Element returned \$61 million of cash to shareholders through common share dividends (\$37 million) and common share repurchases (\$23 million).

#### *Common dividend and share repurchases*

The Company's Board of Directors (the "Board") authorized and declared a quarterly cash dividend of CAD\$0.13 per common share of Element for the third quarter of 2025. The dividend will be payable on October 15, 2025 to shareholders of record as at the close of business on September 30, 2025.

The Company's common dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

In furtherance of the Company's return of capital plan, Element renewed its normal course issuer bid (the "NCIB") for its common shares. Under the NCIB, the Company has approval from the TSX to purchase up to 40,386,699 common shares during the period from November 20, 2024, to November 19, 2025. The Company intends to continue to be active under its NCIB in 2025. The actual number of the Company's common shares, if any, that may be purchased under the NCIB, and the timing of any such purchases, will be determined by the Company, subject to applicable terms and limitations of the 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 NCIB. Any subsequent renewals of the NCIB will be in the discretion of the Company and subject to further TSX approval.

During the first six-months of 2025, the Company purchased 3,129,000 Common Shares for cancellation under its NCIB at a volume weighted average price of CAD\$28.97.

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.

### Debt-to-capital leverage ratio

Commencing Q4 2024, the Company changed its banking covenants from tangible leverage ratio ("TLR") to debt-to-capital, which the Company believes is a more meaningful measure of its leverage. At June 30, 2025, the Company's debt-to-capital ratio was 76.1% (December 31, 2024 74.1%). The Company targets a range between 73% to 77%.

The Company remains committed to maintaining a strong investment grade balance sheet.

## Conference call and webcast

A conference call to discuss these results will be held on Thursday, August 7, 2025 at 8:00 a.m. Eastern Time.

The conference call and webcast can be accessed as follows:

**Webcast:** <https://www.elementfleet.com/secondquarter2025>

**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: 1-833-752-3331

International: +1-647-846-2792

A taped recording of the conference call may be accessed through September 7, 2025 by dialing 1-855-669-9658 (Canada/U.S. Toll Free) or 1-412-317-0088 (International Toll) and entering the access code 3828575.

## 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 the Company's financial position as at June 30, 2025 and June 30, 2024, the results of operations, comprehensive income and cash flows for the three-month periods-ended June 30, 2025, March 31, 2025 and June 30, 2024.

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

(in U.S.\$000's except ratios and per share amounts or unless otherwise noted)		As at and for the three-month period ended			As at and for the Six-month period ended	
		June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<b>Key annualized operating ratios</b>						
<b>Leverage ratios</b>						
Financial leverage ratio	$P_2/(P_2+R)$	<b>76.1 %</b>	74.9 %	74.0 %	<b>76.1 %</b>	74.0 %
Average financial leverage ratio	$Q/(Q+V)$	<b>76.1 %</b>	75.4 %	74.9 %	<b>75.8 %</b>	74.4 %
<b>Other key operating ratios</b>						
Allowance for credit losses as a % of total finance receivables before allowance	F/E	<b>0.10 %</b>	0.09 %	0.07 %	<b>0.10 %</b>	0.07 %
Adjusted operating income on average net earning assets	B/J	<b>8.13 %</b>	8.03 %	7.51 %	<b>8.08 %</b>	7.45 %
Adjusted operating income on average tangible total equity of Element	$D/(V-L)$	<b>43.5 %</b>	42.8 %	34.4 %	<b>43.2 %</b>	33.5 %
<b>Per share information</b>						
Number of shares outstanding	W	<b>401,436</b>	402,350	403,609	<b>401,436</b>	403,609
Weighted average number of shares outstanding [basic]	X	<b>401,668</b>	403,502	390,013	<b>402,580</b>	389,587
Weighted average number of shares outstanding [diluted]	Y	<b>401,881</b>	403,686	403,642	<b>402,762</b>	403,789
Cumulative preferred share dividends during the period	Z	—	—	2,869	—	5,788
Other effects of dilution on an adjusted operating income basis	AA	\$ —	\$ —	\$ 1,206	\$ —	\$ 2,428
Net income per share [basic]	$(A-Z)/X$	\$ <b>0.28</b>	\$ 0.25	\$ 0.26	\$ <b>0.53</b>	\$ 0.49
Net income per share [diluted]		\$ <b>0.28</b>	\$ 0.25	\$ 0.25	\$ <b>0.53</b>	\$ 0.48
<b>Adjusted EPS [basic]</b>	$(D1)/X$	\$ <b>0.30</b>	\$ 0.28	\$ 0.29	\$ <b>0.58</b>	\$ 0.56
<b>Adjusted EPS [diluted]</b>	$(D1+AA)/Y$	\$ <b>0.30</b>	\$ 0.28	\$ 0.28	\$ <b>0.58</b>	\$ 0.55

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.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended			For the six-month period ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<b>Reported results</b>				<b>US\$</b>	US\$
Services income, net	151,336	152,482	140,123	303,818	287,176
Net financing revenue	127,082	111,556	122,409	238,638	229,587
Syndication revenue, net	11,608	11,633	12,045	23,241	20,271
<b>Net revenue</b>	<b>290,026</b>	275,671	274,577	<b>565,697</b>	537,034
<b>Operating expenses</b>	<b>138,509</b>	135,007	131,581	<b>273,516</b>	264,080
<b>Operating income</b>	<b>151,517</b>	140,664	142,996	<b>292,181</b>	272,954
<b>Operating margin</b>	<b>52.2 %</b>	51.0 %	52.1 %	<b>51.6 %</b>	50.8 %
<b>Total expenses</b>	<b>146,576</b>	139,200	139,393	<b>285,776</b>	278,871
<b>Income before income taxes</b>	<b>143,450</b>	136,471	135,184	<b>279,921</b>	258,163
<b>Net income</b>	<b>112,366</b>	102,250	102,698	<b>214,616</b>	196,515
<b>EPS [basic]</b>	<b>\$ 0.28</b>	\$ 0.25	\$ 0.26	<b>\$ 0.53</b>	\$ 0.49
<b>EPS [diluted]</b>	<b>\$ 0.28</b>	\$ 0.25	\$ 0.25	<b>\$ 0.53</b>	\$ 0.48
<b>Adjusting items</b>					
<i>Impact of adjusting items on operating expenses:</i>					
Strategic initiatives costs – Salaries, wages, and benefits	—	—	475	—	960
Strategic initiatives costs – General and administrative expenses	—	—	1,883	—	3,523
Amortization of convertible debenture discount	—	—	724	—	1,517
Share-based compensation	10,333	10,183	6,775	20,516	17,506
Total impact of adjusting items on operating expenses	10,333	10,183	9,857	20,516	23,506
Total pre-tax impact of adjusting items	10,333	10,183	9,857	20,516	23,506
Total after-tax impact of adjusting items	7,724	7,612	7,442	15,336	17,747
Total impact of adjusting items on EPS [basic]	0.02	0.02	0.02	0.04	0.05
Total impact of adjusting items on EPS [diluted]	0.02	0.02	0.02	0.04	0.04

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended			For the six-month period ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
<b>Adjusted results</b>				<b>US\$</b>	US\$
<b>Adjusted net revenue</b>	<b>290,026</b>	275,671	274,577	<b>565,697</b>	537,034
Adjusted operating expenses	128,176	124,824	121,724	253,000	240,574
<b>Adjusted operating income</b>	<b>161,850</b>	150,847	152,853	<b>312,697</b>	296,460
<b>Adjusted operating margin</b>	<b>55.8 %</b>	54.7 %	55.7 %	<b>55.3 %</b>	55.2 %
Provision for income taxes	31,084	34,221	32,486	65,305	61,648
Adjustments:					
Pre-tax income	4,655	3,750	5,381	8,401	10,771
Foreign tax rate differential and other	5,128	118	(418)	5,250	214
<b>Provision for taxes applicable to adjusted results</b>	<b>40,867</b>	38,089	37,449	<b>78,956</b>	72,633
<b>Adjusted net income</b>	<b>120,983</b>	112,758	115,404	<b>233,741</b>	223,827
<b>Adjusted EPS [basic]</b>	<b>\$ 0.30</b>	\$ 0.28	\$ 0.29	<b>\$ 0.58</b>	\$ 0.56
<b>Adjusted EPS [diluted]</b>	<b>\$ 0.30</b>	\$ 0.28	\$ 0.28	<b>\$ 0.58</b>	\$ 0.55

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			For the six-month period ended	
		June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in US\$000's unless otherwise noted)						
					US\$	US\$
Total Finance receivables, before allowance for credit losses	E	<b>8,454,488</b>	7,699,109	7,775,035	<b>8,454,488</b>	7,775,035
Allowance for credit losses	F	<b>8,870</b>	7,137	5,351	<b>8,870</b>	5,351
Net investment in finance receivable	G	<b>5,645,443</b>	5,148,688	5,525,306	<b>5,645,443</b>	5,525,306
Equipment under operating leases	H	<b>2,644,722</b>	2,428,013	2,589,411	<b>2,644,722</b>	2,589,411
Net earning assets	I=G+H	<b>8,290,165</b>	7,576,701	8,114,717	<b>8,290,165</b>	8,114,717
Average net earning assets	J	<b>7,987,751</b>	7,618,350	8,186,031	<b>7,803,050</b>	8,006,280
Goodwill and intangible assets	K	<b>1,660,538</b>	1,660,009	1,583,634	<b>1,660,538</b>	1,583,634
Average goodwill and intangible assets	L	<b>1,661,213</b>	1,663,050	1,584,972	<b>1,662,131</b>	1,586,976
Borrowings	M	<b>9,441,705</b>	9,045,885	8,711,416	<b>9,441,705</b>	8,711,416
Unsecured convertible debentures	N	—	—	—	—	—
Less: continuing involvement liability	O	<b>(145,014)</b>	(136,932)	(101,075)	<b>(145,014)</b>	(101,075)
Total debt	P=M+N-O	<b>9,296,691</b>	8,908,953	8,610,341	<b>9,296,691</b>	8,610,341
Cash and restricted funds	P <sub>1</sub>	<b>470,372</b>	780,531	351,437	<b>470,372</b>	351,437
Total net debt	P <sub>2</sub> = P-P <sub>1</sub>	<b>8,826,319</b>	8,128,422	8,258,904	<b>8,826,319</b>	8,258,904
Average debt	Q	<b>8,852,832</b>	8,363,864	8,757,365	<b>8,608,348</b>	8,498,256
Total shareholders' equity	R	<b>2,775,053</b>	2,720,616	2,908,420	<b>2,775,053</b>	2,908,420
Preferred shares	S	—	—	92,404	—	92,404
Common shareholders' equity	T=R-S	<b>2,775,053</b>	2,720,616	2,816,016	<b>2,775,053</b>	2,816,016
Average common shareholders' equity	U	<b>2,776,435</b>	2,730,985	2,782,534	<b>2,753,710</b>	2,765,125
Average total shareholders' equity	V	<b>2,776,435</b>	2,730,985	2,934,053	<b>2,753,710</b>	2,931,423

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.

	For the three-month period ended			For the six-month period ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in US\$000's except per share amounts or unless otherwise noted)	\$	\$	\$	US\$	US\$
<b>Reported Expenses</b>	<b>146,576</b>	139,200	139,393	<b>285,776</b>	278,871
Less:					
Amortization of intangible assets from acquisitions	<b>7,829</b>	7,799	6,966	<b>15,628</b>	13,945
Loss (gain) on investments	<b>238</b>	(3,606)	846	<b>(3,368)</b>	846
<b>Operating expenses</b>	<b>138,509</b>	135,007	131,581	<b>273,516</b>	264,080
Less:					
Amortization of convertible debenture discount	—	—	724	—	1,517
Share-based compensation	<b>10,333</b>	10,183	6,775	<b>20,516</b>	17,506
Strategic initiatives costs - Salaries, wages and benefits	—	—	475	—	960
Strategic initiatives costs - General and administrative expenses	—	—	1,883	—	3,523
<b>Total adjustments</b>	<b>10,333</b>	10,183	9,857	<b>20,516</b>	23,506
<b>Adjusted operating expenses</b>	<b>128,176</b>	124,824	121,724	<b>253,000</b>	240,574

## 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.

	For the three-month period ended			For the six-month period ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in US\$000's except per share amounts or unless otherwise noted)	\$	\$	\$	US\$	US\$
<b>Income before income taxes</b>	<b>143,450</b>	136,471	135,184	<b>279,921</b>	258,163
<b>Adjustments:</b>					
Amortization of convertible debenture discount	—	—	724	—	1,517
Share-based compensation	<b>10,333</b>	10,183	6,775	<b>20,516</b>	17,506
Amortization of intangible assets from acquisition	<b>7,829</b>	7,799	6,966	<b>15,628</b>	13,945
Loss (gain) on investments	<b>238</b>	(3,606)	846	<b>(3,368)</b>	846
<b>Adjusting Items:</b>					
Strategic initiatives costs - Salaries, wages and benefits	—	—	475	—	960
Strategic initiatives costs - General and administrative expenses	—	—	1,883	—	3,523
<b>Total pre-tax impact of adjusting items</b>	<b>—</b>	—	2,358	<b>—</b>	4,483
<b>Adjusted operating income</b>	<b>161,850</b>	150,847	152,853	<b>312,697</b>	296,460

## 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.

## 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.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended			For the six-month period ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	US\$	US\$
<b>Net income</b>	<b>112,366</b>	102,250	102,698	<b>214,616</b>	196,515
Amortization of convertible debenture discount	—	—	724	—	1,517
Share-based compensation	<b>10,333</b>	10,183	6,775	<b>20,516</b>	17,506
Amortization of intangible assets from acquisition	<b>7,829</b>	7,799	6,966	<b>15,628</b>	13,945
Loss (gain) on investments	<b>238</b>	(3,606)	846	<b>(3,368)</b>	846
Strategic initiatives costs - Salaries, wages and benefits	—	—	475	—	960
Strategic initiatives costs - General and administrative expenses	—	—	1,883	—	3,523
Provision for income taxes	<b>31,084</b>	34,221	32,486	<b>65,305</b>	61,648
Provision for taxes applicable to adjusted results	<b>(40,867)</b>	(38,089)	(37,449)	<b>(78,956)</b>	(72,633)
<b>Adjusted net income</b>	<b>120,983</b>	112,758	115,404	<b>233,741</b>	223,827

## **About Element Fleet Management**

Element Fleet Management (TSX: EFN) is the largest publicly traded pure-play automotive fleet manager in the world. As a Purpose-driven and client-centric company, we deliver value through scalable, sustainable and technology-enabled fleet and mobility solutions. With operations across North America, Australia, New Zealand, Ireland, and a growing global footprint through our technology platform Autofleet, we provide our clients with end-to-end management services – from vehicle acquisition, maintenance, and risk management to route optimization, electric vehicle integration, and remarketing. At Element, we combine our fleet management expertise with advanced digital capabilities in order to unlock real-time data insights, dynamic planning tools, and advanced optimization that enhances the cost efficiency and vehicle productivity of our clients' fleets. For more information, please visit: <https://www.elementfleet.com>

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*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; expectations regarding client and revenue retention trends; management of operating expenses; increases in efficiency; Element's ability to achieve its sustainability objectives; Element achieving its digital platform ambitions; the Autofleet acquisition enabling the Company to scale its business more quickly, achieve operational efficiencies, increase client and shareholder value and unlock new revenues streams; EV strategy and capabilities; global EV adoption rates; dividend policy and the payment of future dividends; 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 and expectations 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, 2024, and Element's quarterly MD&A for the period ended June 30, 2025, 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.*