
**goeasy Ltd. Reports Record Results for the Fourth Quarter and Full Year
Increases Dividend 44% to \$0.72 Per Share
Introduces Accelerated Growth Plan**

Mississauga, February 15, 2017: *goeasy* Ltd. (TSX: GSY), ("*goeasy*" or the "**Company**"), a leading full service provider of goods and alternative financial services that improve the lives of everyday Canadians, today announced its results for the fourth quarter and year ended December 31, 2016. The Company also announced a 44% increase in its annual dividend from \$0.50 to \$0.72 per share.

Q4 2016 Results

Revenue for the fourth quarter of 2016 increased to \$91.3 million, an increase of 10.2% from \$82.9 million in the fourth quarter of 2015. On a comparative basis, revenue and operating income for the fourth quarter of 2016 were reduced by \$1.0 million due to the transition of the Company's creditor life insurance product to a new provider. Total same store sales growth in the quarter was 12.6%. The growth was driven primarily by the expansion of *easyfinancial* and the related growth of its consumer loans receivable portfolio which reached \$370.5 million by quarter's end, up 28.0% from December 31, 2015. Loan book growth in the fourth quarter of 2016 was \$26.8 million.

Operating income for the quarter was \$17.2 million, up \$2.2 million or 14.6% compared to operating income of \$15.0 million in the fourth quarter of 2015. Net income for the quarter was \$8.3 million, up \$0.8 million or 10.8% from \$7.5 million in the fourth quarter of 2015. Diluted earnings per share for the quarter was \$0.60, up \$0.06 or 11.1% from \$0.54 in the fourth quarter of 2015.

"The fourth quarter rounded out a record year for our Company which resulted in financial success and the accomplishment of many of our strategic goals," said David Ingram, *goeasy's* President and Chief Executive Officer. "We were particularly pleased with the record level of originations, reduction in delinquencies and our customer satisfaction ratings in excess of 95%. Customer demand remains strong as our new risk-adjusted pricing product and merchant financing programs reach an expanding audience between traditional banks and expensive payday lenders."

Other highlights for the fourth quarter of 2016 include:

easyfinancial

- Revenue increased by 24.9% to \$56.0 million from \$44.8 million in the fourth quarter of 2015.
- Gross loan originations increased by 6.0% to \$117.5 million from \$110.9 million in the fourth quarter of 2015.

- Delinquency rates at the end of the quarter reduced to 5.8% from 7.4% at the end of 2015.
- Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.8%, within the targeted range of 14% to 16%.
- Operating margin for the fourth quarter of 2016 improved from 32.9% to 34.9%.
- Cash generated from *easyfinancial* customer payments was \$94.0 million in the fourth quarter of 2016 compared to \$76.6 million in the fourth quarter of 2015.

easyhome

- Same store revenue declined 1.9%.
- The operating margin for *easyhome* for the fourth quarter of 2016 was 15.6% as it continued to improve sequentially from the third quarter of 2016.

Overall

- 27th consecutive quarter of same store sales growth.
- Operating margin was 18.8% for the quarter, up from the operating margin of 18.1% in the fourth quarter of 2015.
- Operating income for the quarter was negatively impacted by \$1.0 million and diluted earnings per share was reduced by \$0.05 per share due to the transition of the Company's creditor life insurance product to a new provider.
- The Company's return on equity was 17.4% in the current quarter.

Full Year Results

For the full year, *goeasy* recorded revenues of \$347.5 million, up 14.2% compared with \$304.3 million in 2015.

Operating income for 2016 was \$62.5 million, while net income was \$31.0 million and diluted earnings per share was \$2.23. The 2016 results included a \$3.0 million gain on the sale of an investment and \$6.4 million in transaction advisory costs that were not routine and non-recurring. Excluding these items, adjusted operating income for the year was \$65.9 million compared with \$48.1 million in 2015, an increase of \$17.8 million or 37.1%; adjusted net income was \$33.2 million compared with \$23.7 million in 2015, an increase of \$9.4 million or 39.7%; and adjusted diluted earnings per share was \$2.38 compared with \$1.69 for 2015, an increase of \$0.69 or 40.8%.

In addition to the strong financial performance during 2016, the Company also made significant progress on its strategic initiatives:

- *easyfinancial* introduced risk adjusted pricing, offering lower rate products to its customers and helping them along their journey back to bank financing.
- *easyfinancial* increased its maximum loan size from \$10,000 to \$15,000 for eligible customers.

- The Company further enhanced its indirect lending channel by launching the industry's first single source point-of-sale loan application system to provide financing for customers across the entire credit spectrum.

"2016 was a productive and record setting year," said Mr. Ingram. "Over the past 15 years, on a normalized basis, we have achieved compound annual growth rates of 11.7% for revenue, 22.0% for operating income and 19.3% for earnings per share. 2016 continued the Company's trend of 62 consecutive quarters of positive net income and 27 quarters of positive same store sales growth. As importantly, we have seen improvements to employee engagement, customer satisfaction and brand awareness. My sincere thanks to our entire team who continue to work tirelessly to meet and exceed the needs of all our customers who are underserved by traditional financial organizations."

Balance Sheet and Liquidity

Total assets were \$503.1 million as at December 30, 2016, an increase of 20.2% from \$418.5 million as at December 31, 2015 and driven by the \$81.1 million growth in the gross consumer loans receivable portfolio. As at December 31, 2016, the Company had \$57.4 million in cash and committed facilities available to support future growth.

The Company believes that its cash and committed facilities, coupled with the cash flows provided by operations, will be sufficient to fund the planned growth until the end of the third quarter of 2017.

Outlook and Corporate Strategy

Throughout 2016, the Company completed an in-depth strategic review, gaining a greater understanding of available opportunities within the non-prime market for consumer lending in Canada. The resulting insights confirmed that the Company's corporate strategy continues to be appropriate and will guide the tactics employed by the Company to achieve its goals in the future.

goeasy's corporate strategy is unchanged from the prior years. Its strategic imperatives will be to i) evolve its delivery channels, ii) expand the *easyfinancial* footprint, iii) enhance its product offering and iv) execute with efficiency and effectiveness.

Over the past several years, the Company made significant investments in its processes, systems and infrastructure to support long-term sustainable growth. Although these investments will continue, the Company is now well placed to take advantage of positive market conditions and accelerate its rate of growth. Specific initiatives in 2017 to achieve this are as follows:

- In addition to its *easyfinancial* branch network, the Company also operates 176 *easyhome* stores. To provide greater access to a physical location to its lending customers, the

Company intends to begin offering consumer lending products through its *easyhome* stores.

- Since its launch in 2006 until 2016, the Company has focused on developing its *easyfinancial* business across Canada except for the province of Quebec. The Company believes that there is significant demand for non-prime lending in Quebec and so it intends to expand the *easyfinancial* footprint into Quebec.
- The Company believes that a substantial opportunity exists to expand its product range by introducing a secured loan product.
- It is the Company's mission to help customers improve their credit risk profile and "graduate" the customer back to lower cost prime lending. The Company also believes that significant demand exists for non-prime lending products that carry a lower interest rate on average than the Company has historically charged. In response to these factors, the Company intends to further expand its use of risk-adjusted pricing.
- The Company will continue to evolve its indirect lending platform, taking advantage of developments in technology to further streamline and expedite the in-store application process.

The successful implementation of these specific initiatives is dependent upon additional financing being secured. Although the details of such additional financing have not yet been determined, the Company is confident that it will continue to have access to additional and appropriate capital to fund the growth of its business into the future. There is no certainty that these long-term sources of additional capital will be available or at terms favourable to the Company.

In conjunction with the specific initiatives the Company has established the following targets for 2017:

- open 20 - 30 new *easyfinancial* locations
- *easyfinancial* gross consumer loans receivable portfolio of \$475 - \$500 million by year end
- *easyfinancial* total revenue yield (including revenue generated on the sale of optional ancillary products) of 60 - 62%
- *easyfinancial* operating margins of 35 - 37%
- total revenue growth of 10 - 12%

The Company has also established a number of three-year targets that it is working to achieve by the end of 2019.

- 260 *easyfinancial* locations operating
- *easyfinancial* gross consumer loans receivable portfolio of \$775 - \$800 million
- *easyfinancial* total revenue yield (including revenue generated on the sale of optional ancillary products) of 49 - 51%
- *easyfinancial* margins of 40%+

Normal Course Issuer Bid and Dividend Increase

On June 22, 2016, the Company renewed its Normal Course Issuer Bid (the "NCIB") allowing it to purchase for cancellation up to 986,105 Common Shares over the following 12 months which commenced on June 27, 2016. During the year ended December 31, 2016, the Company repurchased and cancelled 435,800 of its common shares at an average price of \$18.21 per share. The Company intends to continue purchasing shares for cancellation under this NCIB.

Based on its 2016 earning and the Company's confidence in its continued growth and access to capital going forward, the Board of Directors has approved an increase to the annual dividend from \$0.50 per share to \$0.72 per share, an increase of 44%. As such, the Board of Directors has approved a quarterly dividend of \$0.18 per share payable on April 13, 2017 to the holders of common shares of record as at the close of business on March 31, 2017.

Forward-Looking Statements

This press release includes forward-looking statements about *goeasy*, including, but not limited to, its business operations, strategy and expected financial performance and condition. Forward-looking statements include, but are not limited to, those with respect to the estimated number of new locations to be opened, targets for growth of the consumer loans receivable portfolio, annual revenue growth targets, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements, liquidity of the Company, plans and references to future operations and results and critical accounting estimates. In certain cases, forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' or negative versions thereof and similar expressions, and/or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company's operations, economic factors and the industry generally, as well as those factors referred to in the Company's December 31, 2016 Management Discussion and Analysis in the section entitled "Risk Factors". There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by the Company, due to, but not limited to, important factors such as the Company's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favourable terms, purchase products which appeal to customers at a competitive rate, respond to changes in legislation, react to uncertainties related to regulatory action, raise capital under favourable terms, manage the impact of litigation



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(including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls. The Company cautions that the foregoing list is not exhaustive.

The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

About goeasy

As at December 31, 2016, the Company operated 208 *easyfinancial* locations (including 46 kiosks located within *easyhome* stores) and 176 *easyhome* stores (including 28 franchises and 2 consolidated franchise locations).

goeasy Ltd. is a leading full service provider of goods and alternative financial services that improve the lives of everyday Canadians. Today, *goeasy* Ltd. serves its customers through two key operating divisions, *easyfinancial* and *easyhome*. *easyfinancial* is a non-prime consumer lender that bridges the gap between traditional financial institutions and costly payday lenders. It is supported by a strong central credit adjudication process and industry leading risk analytics. *easyfinancial* also operates an indirect lending channel, offering loan products to consumers at the point-of-sale of third party merchants. *easyhome* is Canada's largest lease-to-own company, offering brand-name household furniture, appliances and electronics to consumers under weekly or monthly leasing agreements through both corporate and franchise stores. Both operating divisions of *goeasy* Ltd. offer the highest level of customer service and enable customers to transact through a national store and branch network of over 200 *easyfinancial* and 175 *easyhome* locations across Canada and through its online and mobile eCommerce enabled platforms.

goeasy Ltd. is listed on the TSX under the symbol 'GSY'. For more information, visit www.goeasy.com.

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goeasy Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in thousands of Canadian dollars)

	As At December 31, 2016	As At December 31, 2015
ASSETS		
Cash	24,928	11,389
Amounts receivable	7,857	9,480
Prepaid expenses	1,909	2,446
Consumer loans receivable	354,499	274,481
Lease assets	55,288	60,753
Property and equipment	16,103	18,689
Deferred tax assets	6,856	5,913
Intangible assets	14,312	14,041
Goodwill	21,310	21,310
TOTAL ASSETS	503,062	418,502
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	31,879	22,196
Income taxes payable	2,874	700
Dividends payable	1,666	1,341
Deferred lease inducements	1,506	1,922
Unearned revenue	5,204	3,982
Provisions	608	582
Term loan	263,294	211,720
TOTAL LIABILITIES	307,031	242,443
Shareholders' equity		
Share capital	82,598	81,725
Contributed surplus	9,943	9,852
Accumulated other comprehensive income	880	969
Retained earnings	102,610	83,513
TOTAL SHAREHOLDERS' EQUITY	196,031	176,059
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	503,062	418,502

goeasy Ltd.

CONSOLIDATED STATEMENTS OF INCOME

(expressed in thousands of Canadian dollars except earnings per share)

	Three Months Ended		Year Ended	
	December 31 , 2016	December 31 , 2015	December 31 , 2016	December 31 , 2015
REVENUE				
Interest income	37,477	29,534	138,782	100,814
Lease revenue	33,832	36,563	137,849	146,692
Other	19,985	16,778	70,874	56,767
	91,294	82,875	347,505	304,273
Other income	-	-	3,000	-
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	23,014	22,097	91,557	85,658
Stock-based compensation	1,190	1,149	4,323	4,753
Advertising and promotion	4,242	2,620	13,457	10,689
Bad debts	15,936	13,473	55,668	41,933
Occupancy	8,324	7,961	32,867	31,545
Other expenses	7,996	6,513	29,398	25,547
Transaction advisory costs	-	-	6,382	-
	60,702	53,813	233,652	200,125
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	10,789	11,901	44,230	47,407
Depreciation of property and equipment	1,384	1,580	5,606	5,545
Amortization of intangible assets	1,127	674	4,205	3,138
Impairment, net	117	(84)	296	6
	13,417	14,071	54,337	56,096
Total operating expenses	74,119	67,884	287,989	256,221
Operating income	17,175	14,991	62,516	48,052
Finance costs	5,702	4,605	21,048	15,334
Income before income taxes	11,473	10,386	41,468	32,718
Income tax expense (recovery)				
Current	2,045	3,159	11,362	8,157
Deferred	1,086	(305)	(943)	833
	3,131	2,854	10,419	8,990
Net income	8,342	7,532	31,049	23,728
Basic earnings per share	0.62	0.56	2.29	1.75
Diluted earnings per share	0.60	0.54	2.23	1.69

Segmented Reporting

	Three Months Ended December 31, 2016			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	55,999	35,295	-	91,294
Total operating expenses before depreciation and amortization	34,772	18,244	7,686	60,702
Depreciation and amortization	1,675	11,558	184	13,417
Operating income (loss)	19,552	5,493	(7,870)	17,175
Finance costs				5,702
Income before income taxes				11,473
Income taxes				3,131
Net Income for the period				8,342
Diluted earnings per share				0.60

	Three Months Ended December 31, 2015			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	44,826	38,049	-	82,875
Total operating expenses before depreciation and amortization	28,616	18,520	6,677	53,813
Depreciation and amortization	1,449	12,489	133	14,071
Operating income (loss)	14,761	7,040	(6,810)	14,991
Finance costs				4,605
Income before income taxes				10,386
Income taxes				2,854
Net Income for the period				7,532
Diluted earnings per share				0.54

	Year Ended December 31, 2016			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	204,076	143,429	-	347,505
Other Income	-	-	3,000	3,000
Total operating expenses before depreciation and amortization and transaction advisory costs	122,843	74,708	29,719	227,270
Transaction advisory costs	-	-	6,382	6,382
Depreciation and amortization	6,479	47,184	674	54,337
Operating income (loss)	74,754	21,537	(33,775)	62,516
Finance costs				21,048
Income before income taxes				41,468
Income taxes				10,419
Net Income for the period				31,049
Diluted earnings per share				2.23

	Year Ended December 31, 2015			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	151,668	152,605	-	304,273
Total operating expenses before depreciation and amortization	99,607	77,724	22,794	200,125
Depreciation and amortization	5,289	50,214	593	56,096
Operating income (loss)	46,772	24,667	(23,387)	48,052
Finance costs				15,334
Income before income taxes				32,718
Income taxes				8,990
Net Income for the period				23,728
Diluted earnings per share				1.69