



goeasy Ltd. Reports Record Results for the Third Quarter

November 3, 2020

Loan Portfolio of \$1.18 billion, up 14%
Net Charge-Off Rate of 7.8%, down 540 bps
Adjusted Diluted Earnings per Share of \$2.00, up 56%
Total Liquidity of \$250 million, up 16%

MISSISSAUGA, Ontario, Nov. 03, 2020 (GLOBE NEWSWIRE) -- goeasy Ltd. (TSX: GSY), (“goeasy” or the “Company”), a leading full-service provider of goods and alternative financial services, announced its results for the third quarter ended September 30, 2020.

Third Quarter Results

During the quarter, the Company experienced an improved level of loan originations and a reduction in credit losses, leading to record financial results.

Gradual re-opening of the economy and a reduction in the stay-at-home orders originally caused by the COVID-19 pandemic, served to improve overall demand. As such, the Company generated \$287 million in total loan originations, flat to the \$286 million produced in the third quarter of 2019. The improved originations led to growth in the loan portfolio of \$48.3 million during the quarter, which finished at \$1.18 billion, up 14% from \$1.03 billion as of September 30, 2019. Revenue for the third quarter, which was partially impacted by lower commissions related to higher levels of loan protection insurance claims, was \$162 million, up 4% over the same period in 2019.

The Company also continued to experience strong credit and payment performance. Use of the Company’s loan protection insurance program, the continuation of government relief programs, assistance provided by banks and other lenders such as payment deferral programs and reduced living expenses, combined with previous credit model enhancements, resulted in an improvement to credit losses. The net charge-off rate for the third quarter was a record low 7.8%, compared to 13.2% in the third quarter of 2019. Although there remains uncertainty about the exact timing and pace of an economic recovery, the improvement in underlying credit performance and the general macroeconomic environment resulted in the Company holding its allowance for future credit losses broadly flat at 10.03%.

Reduced operating expenses and record low credit losses led to operating income of \$56.9 million, up 34% from \$42.6 million in the third quarter of 2019, while the operating margin expanded to 35.2%, up from 27.3% in the prior year. During the quarter, the Company also recorded a \$1.7 million pre-tax increase to the carrying value of its minority equity investment in PayBright, a Canadian payments platform focused on instant point-of-sale consumer financing and buy-now-pay-later programs. PayBright has continued to grow revenues at over 80% on an annualized basis and onboard new major brand partners.

Net income in the third quarter was a record \$33.1 million, up 67% from \$19.8 million in 2019, which resulted in diluted earnings per share of \$2.09, up 63% from the \$1.28 in the third quarter of 2019. Return on equity was 34.7%, up from 24.1% in the third quarter of 2019. After adjusting for the increase in the carrying value of the Company’s minority equity investment, net income was a record \$31.6 million and diluted earnings per share was \$2.00, an increase of 59% and 56% respectively, while return on equity was 33.1%.

“During the quarter we continued to prioritize the safety and well-being of our team, while also producing further improvements in operating performance. As credit losses fell to another record low of 7.8%, we experienced a gradual improvement in demand, lifting originations to prior year levels and leading to loan growth of nearly \$50 million in the quarter,” said Jason Mullins, goeasy’s President and Chief Executive Officer, “The resiliency of our business model continued to be highlighted by record earnings and strong cash flows. In addition to funding the organic loan growth during the quarter, we have also repurchased over \$12 million worth of additional shares throughout the last several months, while liquidity remains strong at \$250 million of total funding capacity.”

Other Key Third Quarter Highlights

easyfinancial

- Secured loan portfolio grew to \$141.6 million, up 40%
- 50% of net loan advances in the quarter were issued to new customers, down from 65%
- 44% of applications were acquired online, down slightly from 45%
- Aided brand awareness of 85%, up from 84%
- Average loan book per branch improved to \$3.7 million, an increase of 6%
- The delinquency rate on the final Saturday of the quarter was 4.3%, down from 4.6%
- Operating income of \$63.8 million, up 34%
- Operating margin of 50.7%, up from 38.9%

easyhome

- Revenue of \$36 million, up 6%
- Same store revenue growth of 7.2%
- Consumer loan portfolio within easyhome stores increased to \$44.9 million, up 34%

- Revenue from consumer lending increased to \$5.5 million, up 21%
- Record operating income of \$7.9 million, up 40%
- Record operating margin of 21.9%, up from 16.6%

Overall

- 42nd consecutive quarter of same store sales growth
- 77th consecutive quarter of positive net income
- 16th consecutive year of paying dividends and 6th consecutive year of dividend increases
- Total same store revenue growth of 3.1%
- Return on equity of 34.7% in the quarter, up from 24.1%
- Fully drawn weighted average cost of borrowing reduced to 5%, down from 6.7%
- Net external debt to net capitalization of 66% on September 30, 2020, down from 69% in the prior year and below the Company's target leverage ratio of 70%
- Repurchased 108,660 common shares during the quarter at a weighted average price of \$63.55, including an additional 76,440 shares subsequent to quarter-end at a weighted average price of \$68.39, through the Company's Normal Course Issuer Bid, bringing total share repurchases year to date to 764,435
- No reduction of personnel during COVID-19, including a 10% reduction in year-to-date employee turnover
- Annual employee engagement score improved to record level of 83%, up 2% over the prior year

Nine Months Results

For the first nine months of 2020, goeasy produced revenues of \$480 million, up 8% compared with \$444 million in the same period of 2019. Operating income for the period was \$155 million compared with \$122 million in the first nine months of 2019, an increase of \$32.8 million or 27%. Net income for the first nine months of 2020 was \$87.6 million and diluted earnings per share was \$5.64 compared with \$57.7 million or \$3.72 per share, increases of 52%. After adjusting for the increase in the carrying value of the Company's minority equity investment, net income for the first nine months of 2020 was \$82.6 million and diluted earnings per share was \$5.33, increases of 43%, while return on equity was 30.5%.

Balance Sheet and Liquidity

Total assets were \$1.37 billion as of September 30, 2020, an increase of 10% from \$1.24 billion as of September 30, 2019, driven by the growth in the consumer loan portfolio.

During the quarter, the Company redeemed all its 5.75% convertible unsecured subordinated debentures (the "Convertible Debentures") that were outstanding on July 31, 2020 (the "Redemption Date"), which were due to mature on July 31, 2022. The Convertible Debentures were redeemable at a redemption price equal to their principal amount, plus accrued and unpaid interest thereon up to, but excluding, the Redemption Date. As of the close of business on June 28, 2020, there was \$43,806,000 principal amount of Convertible Debentures issued and outstanding, of which the holders of approximately \$41,379,000 aggregate principal amount elected to convert their Convertible Debentures into approximately 954,302 common shares prior to the Redemption Date. On the Redemption Date, the Company redeemed the \$2,427,000 aggregate principal amount of Convertible Debentures that remained unconverted on that date.

Cash provided by operating activities before the net issuance of consumer loans receivable and purchase of lease assets was \$96.7 million during the quarter, an increase of 20% from \$80.9 million in the third quarter of 2019.

Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's revolving credit facility, goeasy had approximately \$250 million in total funding capacity, which it estimates is sufficient to fund its growth through the second quarter of 2022. At quarter-end, the Company's fully drawn weighted average cost of borrowing reduced to 5.0%, down from 6.7% in the prior year, with incremental draws on its senior secured revolving credit facility bearing a rate of approximately 3.6% due to the lower interest rate environment.

The Company also estimates that once its existing and available sources of capital are fully utilized, it could continue to grow the loan portfolio by approximately \$150 million per year solely from internal cash flows. The Company also estimates that as of September 30, 2020, if it were to run-off its consumer loan and consumer leasing portfolios, the value of the total cash repayments paid to the Company over the remaining life of its contracts would be approximately \$2 billion. If during such a run-off scenario all excess cash flows were applied directly to debt, the Company estimates it would extinguish all external debt within 18 months.

COVID-19 & Future Outlook

Due to the current uncertainty relating to the impacts of COVID-19, the Company intends to re-publish a 3-year forecast when the economic conditions and outlook stabilize. However, the Company remains confident that it is well positioned to navigate through the current economic downturn and has continued to see conditions gradually improve. Recent trends include:

- **Improving Consumer Demand:** The effects of the pandemic, which included stay-at-home orders, increased government subsidies and reduced expenses for consumers, led to temporarily reduced demand. During the second quarter, total loan originations were down 38% from the prior year. In the third quarter, loan originations improved to be broadly flat to 2019.
- **Declining Loan Protection Insurance Claims:** The majority of easyfinancial customers have Loan Protection Insurance, offered by Assurant Inc., a global provider of risk-management solutions, which covers a borrower's full loan payment for a period of 6 consecutive months in the event of unemployment. During the second quarter, total loan protection claims

payments made on behalf of borrowers was \$21.7 million. In the third quarter, claims payments declined by 33% to \$14.6 million, with a further decline in the trend subsequent to quarter-end.

- **Solutions to Support Borrowers Below Pre-COVID Levels:** easyfinancial has a suite of loan amendment solutions that it can offer borrowers to support them through a difficult financial period. These include temporarily deferring loan payments or extending the term of a loan to reduce the regular payment obligation. In April approximately 12% of customers utilized a form of support, as compared to approximately 7%-8% in a typical month prior to the pandemic. However, since May the portion of borrowers utilizing a form of support has fallen to below pre-COVID levels and has remained below 7% for each month since.
- **Strong Customer Payment Performance:** The Company has continued to observe a strong level of true overall payment performance. During the second quarter, the Company collected an average of 96% of the payment volume it would normally collect prior to the pandemic. In the third quarter, customer payment volume relative to the outstanding consumer loan portfolio was at, or above, 100% of the levels it would normally collect prior to the pandemic.

"While there remains some uncertainty about the broader economic environment, we are seeing positive trends in the business and we are confident in our ability to navigate through a second wave. Consumer demand for credit continues to slowly recover and we expect growth in the loan portfolio of approximately 5% to 6% during the upcoming quarter. Credit and payment performance continue to perform well, and we project the annualized net charge-off rate will be approximately 10% in the fourth quarter. Lastly, we continue to make great progress on finalizing a new securitized funding facility. This important next step in the evolution of our balance sheet will further lower our funding costs and provide a material increase to our total liquidity," Mr. Mullins concluded, "Our business is thriving during a challenging time and I want to once again thank all 2,000 goeasy team members for their unwavering commitment to stand by our customers. The fundamentals of our business, and the confidence in our strategy to provide everyday Canadians with a path to a better tomorrow, are stronger than ever."

Dividend

The Board of Directors has approved a quarterly dividend of \$0.45 per share payable on January 8, 2021 to the holders of common shares of record as at the close of business on December 25, 2020.

Forward-Looking Statements

All figures reported above with respect to outlook are targets established by the Company and are subject to change as plans and business conditions vary. Accordingly, investors are cautioned not to place undue reliance on the foregoing guidance. Actual results may differ materially.

This press release includes forward-looking statements about goeasy, including, but not limited to, its business operations, strategy, expected financial performance and condition, 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 most recent Annual Information Form and Management Discussion and Analysis, as available on www.sedar.com, 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 (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 to 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

goeasy Ltd., a Canadian company, headquartered in Mississauga, Ontario, provides non-prime leasing and lending services through its [easyhome](#) and [easyfinancial](#) divisions. With a wide variety of financial products and services including [unsecured and secured instalment loans](#), goeasy aspires to help put Canadians on a path to a better financial future, as they rebuild their credit and graduate to prime lending. Customers can transact seamlessly with easyhome and easyfinancial through an omni-channel model that includes online and mobile, as well as over 400 leasing and lending locations across Canada supported by more than 2,000 employees. Throughout the company's history, it has served over 1 million Canadians and originated \$4.7 billion in loans, with one in three customers graduating to prime credit and 60% increasing their credit score within 12 months of borrowing.

goeasy is the proud recipient of several awards including Waterstone Canada's Most Admired Corporate Cultures, Glassdoor Top CEO Award, Achievers Top 50 Most Engaged Workplaces in North America, Greater Toronto Top Employers Award, the Digital Finance Institute's Canada's Top 50 FinTech Companies, ranking on the TSX30 and placing on the Report on Business ranking of Canada's Top Growing Companies. The company and

its employees believe strongly in giving back to the communities in which it operates and has raised over \$3 million to support its long-standing partnerships with the Boys & Girls Clubs of Canada and Habitat for Humanity.

goeasy Ltd.'s common shares are listed on the TSX under the trading symbol "GSY". goeasy is rated BB- with a stable trend from S&P and Ba3 with a stable trend from Moody's. Visit www.goeasy.com.

For further information contact:

Jason Mullins
President & Chief Executive Officer
(905) 272-2788

David Ingram
Executive Chairman of the Board
(905) 272-2788

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(expressed in thousands of Canadian dollars)

	As At September 30, 2020	As At December 31, 2019
ASSETS		
Cash	39,477	46,341
Amounts receivable	5,779	18,482
Prepaid expenses	4,057	7,077
Consumer loans receivable, net	1,100,998	1,040,552
Investment	40,000	34,300
Lease assets	46,351	48,696
Property and equipment, net	28,905	23,007
Deferred tax assets	7,323	14,961
Derivative financial assets	3,455	-
Intangible assets, net	22,677	17,749
Right-of-use assets, net	46,943	46,147
Goodwill	21,310	21,310
TOTAL ASSETS	1,367,275	1,318,622
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving credit facility	98,221	112,563
Accounts payable and accrued liabilities	47,564	41,350
Income taxes payable	7,837	4,187
Dividends payable	6,713	4,448
Unearned revenue	8,952	8,082
Derivative financial liabilities	-	16,435
Lease liabilities	53,056	52,573
Accrued interest	13,417	4,358
Convertible debentures	-	40,656
Notes payable	721,292	701,549
TOTAL LIABILITIES	957,052	986,201
Shareholders' equity		
Share capital	182,524	141,956
Contributed surplus	17,744	20,296
Accumulated other comprehensive income (loss)	412	(915)
Retained earnings	209,543	171,084
TOTAL SHAREHOLDERS' EQUITY	410,223	332,421
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,367,275	1,318,622

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended		Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
REVENUE				
Interest income	101,833	90,304	302,799	249,594
Lease revenue	28,416	27,134	84,232	84,968
Commissions earned	28,540	34,909	83,166	98,341
Charges and fees	3,035	3,786	9,506	10,944
	161,824	156,133	479,703	443,847
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	36,457	30,141	102,283	89,248
Stock-based compensation	1,718	1,752	5,587	5,828
Advertising and promotion	7,377	6,425	18,195	19,211
Bad debts	27,221	43,326	100,505	113,485
Occupancy	5,639	5,086	17,126	15,089
Technology costs	3,817	3,314	10,499	9,071
Other expenses	6,624	7,737	22,378	21,504
	88,853	97,781	276,573	273,436
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	8,701	9,023	26,790	28,051
Depreciation of right-of-use assets	4,053	3,798	11,994	11,266
Depreciation of property and equipment	1,451	1,607	4,488	4,657
Amortization of intangible assets	1,820	1,355	4,699	4,127
	16,025	15,783	47,971	48,101
TOTAL OPERATING EXPENSES	104,878	113,564	324,544	321,537
OPERATING INCOME	56,946	42,569	155,159	122,310
OTHER INCOME				
Unrealized fair value gain on investment	1,700	-	5,700	-
FINANCE COSTS				
Interest expense and amortization of deferred financing charges	12,543	14,208	39,624	40,350
Interest expense on lease liabilities	690	613	2,025	1,808
	13,233	14,821	41,649	42,158
INCOME BEFORE INCOME TAXES	45,413	27,748	119,210	80,152
INCOME TAX EXPENSE (RECOVERY)				
Current	9,990	8,097	23,288	21,951
Deferred	2,350	(174)	8,328	535
	12,340	7,923	31,616	22,486
NET INCOME	33,073	19,825	87,594	57,666
BASIC EARNINGS PER SHARE	2.20	1.35	5.95	3.94
DILUTED EARNINGS PER SHARE	2.09	1.28	5.64	3.72

Segmented Reporting

(\$ in 000's except earnings per share)	Three Months Ended September 30, 2020			Total
	easyfinancial	easyhome	Corporate	
Revenue				
Interest income	97,543	4,290	-	101,833
Lease revenue	-	28,416	-	28,416
Commissions earned	26,474	2,066	-	28,540
Charges and fees	1,839	1,196	-	3,035
	125,856	35,968	-	161,824
Total operating expenses before depreciation and amortization	58,089	17,208	13,556	88,853
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	2,014	9,051	907	11,972
Depreciation of right-of-use assets	1,977	1,824	252	4,053
	3,991	10,875	1,159	16,025
Segment operating income (loss)	63,776	7,885	(14,715)	56,946
Other income				
Unrealized fair value gain on investment				1,700
Finance costs				
Interest expense and amortization of deferred financing charges				12,543
Interest expense on lease liabilities				690
				13,233
Income before income taxes				45,413
Income taxes				12,340
Net Income				33,073
Diluted earnings per share				2.09

(\$ in 000's except earnings per share)	Three Months Ended September 30, 2019			Total
	easyfinancial	easyhome	Corporate	
Revenue				
Interest income	87,087	3,217	-	90,304
Lease revenue	-	27,134	-	27,134
Commissions earned	32,706	2,203	-	34,909
Charges and fees	2,463	1,323	-	3,786
	122,256	33,877	-	156,133
Total operating expenses before depreciation and amortization	71,283	16,854	9,644	97,781
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	1,794	9,453	738	11,985
Depreciation of right-of-use-assets	1,672	1,951	175	3,798
	3,466	11,404	913	15,783
Segment operating income (loss)	47,507	5,619	(10,557)	42,569
Finance costs				

Interest expense and amortization of deferred financing charges	14,208
Interest expense on lease liabilities	613
	14,821
Income before income taxes	27,748
Income taxes	7,923
Net Income	19,825
Diluted earnings per share	1.28

(\$ in 000's except earnings per share)	Nine Months Ended September 30, 2020			Total
	easyfinancial	easyhome	Corporate	
Revenue				
Interest income	290,483	12,316	-	302,799
Lease revenue	-	84,232	-	84,232
Commissions earned	76,785	6,381	-	83,166
Charges and fees	6,113	3,393	-	9,506
	373,381	106,322	-	479,703
Total operating expenses before depreciation and amortization	186,844	50,428	39,301	276,573
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	5,484	27,903	2,590	35,977
Depreciation of right-of-use assets	5,691	5,595	708	11,994
	11,175	33,498	3,298	47,971
Segment operating income (loss)	175,362	22,396	(42,599)	155,159
Other income				
Unrealized fair value gain on investment				5,700
Finance costs				
Interest expense and amortization of deferred financing charges				39,624
Interest expense on lease liabilities				2,025
				41,649
Income before income taxes				119,210
Income taxes				31,616
Net Income				87,594
Diluted earnings per share				5.64

(\$ in 000's except earnings per share)	Nine Months Ended September 30, 2019			Total
	easyfinancial	easyhome	Corporate	
Revenue				
Interest income	241,321	8,273	-	249,594
Lease revenue	-	84,968	-	84,968
Commissions earned	92,029	6,312	-	98,341
Charges and fees	6,853	4,091	-	10,944
	340,203	103,644	-	443,847
Total operating expenses before				

depreciation and amortization	194,294	49,944	29,198	273,436
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	5,389	29,383	2,063	36,835
Depreciation of right-of-use-assets	4,728	5,978	560	11,266
	10,117	35,361	2,623	48,101
Segment operating income (loss)	135,792	18,339	(31,821) 122,310
Finance costs				
Interest expense and amortization of deferred financing charges				40,350
Interest expense on lease liabilities				1,808
				42,158
Income before income taxes				80,152
Income taxes				22,486
Net Income				57,666
Diluted earnings per share				3.72

Summary of Financial Results and Key Performance Indicators

(\$ in 000's except earnings per share and percentages)	Three Months Ended		Variance	Variance	
	September 30, 2020	September 30, 2019	\$ / bps	% change	
Summary Financial Results					
Revenue	161,824	156,133	5,691	3.6	%
Operating expenses before depreciation and amortization	88,853	97,781	(8,928)	(9.1)	%
EBITDA	65,970	49,329	16,641	33.7	%
EBITDA margin	40.8	% 31.6	% 920 bps	29.1	%
Depreciation and amortization expense	16,025	15,783	242	1.5	%
Operating income	56,946	42,569	14,377	33.8	%
Operating margin	35.2	% 27.3	% 790 bps	28.9	%
Other income ¹	1,700	-	1,700	100.0	%
Finance costs	13,233	14,821	(1,588)	(10.7)	%
Effective income tax rate	27.2	% 28.6	% (140 bps)	(4.9)	%
Net income	33,073	19,825	13,248	66.8	%
Diluted earnings per share	2.09	1.28	0.81	63.3	%
Return on equity	34.7	% 24.1	% 1,060 bps	44.0	%
Adjusted (Normalized) Financial Results¹					
Adjusted EBITDA	64,270	49,329	14,941	30.3	%
Adjusted EDITDA margin	39.7	% 31.6	% 810 bps	25.6	%
Adjusted net income	31,598	19,825	11,773	59.4	%
Adjusted diluted earnings per share	2.00	1.28	0.72	56.3	%
Adjusted return on equity	33.1	% 24.1	% 900 bps	37.3	%
Key Performance Indicators					
Same store revenue growth (overall)	3.1	% 20.4	% (1,730 bps)	(84.8)	%
Same store revenue growth (easyhome)	7.2	% 2.4	% 480 bps	200.0	%
Segment Financials					
easyfinancial revenue	125,856	122,256	3,600	2.9	%
easyfinancial operating margin	50.7	% 38.9	% 1,180 bps	30.3	%
easyhome revenue	35,968	33,877	2,091	6.2	%
easyhome operating margin	21.9	% 16.6	% 530 bps	31.9	%

Portfolio Indicators

Gross consumer loans receivable	1,182,801	1,035,596	147,205	14.2	%
Growth in consumer loans receivable	48,319	75,888	(27,569)	(36.3)	%
Gross loan originations	286,583	286,068	515	0.2	%
Total yield on consumer loans (including ancillary products)	45.1	% 50.1	% (500 bps)	(10.0)	%
Net charge-offs as a percentage of average gross consumer loans receivable	7.8	% 13.2	% (540 bps)	(40.9)	%
Potential monthly lease revenue	8,256	8,432	(176)	(2.1)	%

¹During the third quarter of 2020, the Company recognized an unrealized fair value gain before-tax of \$1.7 million on its investment in PayBright.

(\$ in 000's except earnings per share and percentages)	Nine Months Ended		Variance		Variance % change
	September 30, 2020	September 30, 2019	\$ / bps		
Summary Financial Results					
Revenue	479,703	443,847	35,856	8.1	%
Operating expenses before depreciation and amortization	276,573	273,436	3,137	1.1	%
EBITDA	182,040	142,360	39,680	27.9	%
EBITDA margin	37.9	% 32.1	% 580 bps	18.1	%
Depreciation and amortization expense	47,971	48,101	(130)	(0.3)	%
Operating income	155,159	122,310	32,849	26.9	%
Operating margin	32.3	% 27.6	% 470 bps	17.0	%
Other income ¹	5,700	-	5,700	100.0	%
Finance costs	41,649	42,158	(509)	(1.2)	%
Effective income tax rate	26.5	% 28.1	% (160 bps)	(5.7)	%
Net income	87,594	57,666	29,928	51.9	%
Diluted earnings per share	5.64	3.72	1.92	51.6	%
Return on equity	32.3	% 24.5	% 780 bps	31.8	%
Adjusted (Normalized) Financial Results¹					
Adjusted EBITDA	176,340	142,360	33,980	23.9	%
Adjusted EBITDA margin	36.8	% 32.1	% 470 bps	14.6	%
Adjusted net income	82,649	57,666	24,983	43.3	%
Adjusted diluted earnings per share	5.33	3.72	1.61	43.3	%
Adjusted return on equity	30.5	% 24.5	% 600 bps	24.5	%
Key Performance Indicators					
Same store revenue growth (overall)	7.8	% 19.8	% (1,200 bps)	(60.6)	%
Same store revenue growth (easyhome)	3.2	% 3.4	% (20 bps)	(5.9)	%
Segment Financials					
easyfinancial revenue	373,381	340,203	33,178	9.8	%
easyfinancial operating margin	47.0	% 39.9	% 710 bps	17.8	%
easyhome revenue	106,322	103,644	2,678	2.6	%
easyhome operating margin	21.1	% 17.7	% 340 bps	19.2	%
Portfolio Indicators					
Gross consumer loans receivable	1,182,801	1,035,596	147,205	14.2	%
Growth in consumer loans receivable	72,168	201,817	(129,649)	(64.2)	%
Gross loan originations	699,028	781,861	(82,833)	(10.6)	%
Total yield on consumer loans (including ancillary products)	45.2	% 50.2	% (500 bps)	(10.0)	%
Net charge-offs as a percentage of average gross consumer loans receivable	10.3	% 13.3	% (300 bps)	(22.6)	%
Potential monthly lease revenue	8,256	8,432	(176)	(2.1)	%

¹During the nine-month period ended September 30, 2020, the Company recognized an unrealized fair value gain before-tax of \$5.7 million on its investment in PayBright.

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