
goeasy Ltd. Reports Results for the Third Quarter ended September 30, 2015

***Record Revenue and Earnings
Revenue +19%, Net Income +80%, Earnings Per Share +80%***

Mississauga November 3, 2015: *goeasy* Ltd. (TSX: GSY), (“*goeasy*” or the “**Company**”), the leading full service provider of goods and alternative financial services that improve the lives of everyday Canadians, today announced its results for the third quarter ended September 30, 2015.

Q3 2015 Results

Revenue for the third quarter of 2015 increased to a record of \$78 million, an increase of 19.0% from \$66 million in the third quarter of 2014. Total same store sales growth in the quarter was 18.6%. The growth was driven primarily by the expansion of *easyfinancial* and the related growth of its consumer loans receivable portfolio which grew by \$22.7 million during the third quarter of 2015. The gross consumer loans receivable as at September 30, 2015 was \$254 million compared with \$166 million as at September 30, 2014, an increase of 53%.

Operating income for the quarter was \$12.9 million, up \$5.5 million or 74% compared to the third quarter of 2014. Net income for the quarter was \$6.3 million, an increase of 80% compared with \$3.5 million reported in the third quarter of 2014. Diluted earnings per share for the quarter increased to \$0.45 compared to \$0.25 for the third quarter of 2014. These income statement metrics represent record quarterly performance for *goeasy*.

“We are pleased with the record financial performance achieved in the quarter,” said David Ingram, *goeasy*’s President and Chief Executive Officer. “The previous investments that we made in technology, infrastructure, risk management, staff and brand positioning are now delivering the expected results. In addition to the improving financial performance, we completed several key strategic activities during the third quarter of 2015. We are confident that these will drive additional benefits in future quarters as we continue to grow and execute against our stated strategy.”

The strategic activities completed during the third quarter of 2015 were as follows:

- *easyfinancial*’s delivery channels were enhanced through the partnership with Leon’s Furniture Ltd. (“Leons”) to provide customers of Leon’s with a new point-of-sale financing alternative utilizing an internally developed tablet technology solution.
- The Company’s ability to continue expanding was enhanced by increasing its total credit facilities by \$100 million while reducing the interest rate. This will facilitate the growth of its gross consumer loans receivable portfolio through to 2017.
- The leasing operations were made more efficient through the acquisition of 14 leasing stores from Rent-A-Center, Inc.
- The Company’s rebranding was completed with the change in the corporate name from *easyhome* Ltd. to *goeasy* Ltd., reflecting the evolution and growth in the business as it

moves from a name that was aligned with the legacy leasing business to a corporate name that encompasses all of the Company's business units and its ambition to add new *goeasy* brands as it executes towards its strategic goals.

Other highlights for the third quarter of 2015 include:

easyfinancial

- Revenue for *easyfinancial* increased by 47% for the third quarter of 2015 compared to the third quarter of 2014.
- Gross loan originations increased by 41% from \$58 million in the third quarter of 2014 to \$82 million in the current quarter.
- Operating margin of 32.4% for the third quarter of 2015 was up from 29.6% reported for the same period in 2014.

***easyhome* Leasing**

- Revenue for *easyhome* Leasing was relatively unchanged from the third quarter of 2014.
- Same store revenue growth was 8.0%.
- The operating margin of *easyhome* Leasing for the third quarter of 2015 was 15.6%, up from the 11.2% reported for the same period in 2014.

Overall

- Operating margin was 16.5% for the quarter, up from 11.3% in the third quarter of 2014.

Nine Months Results

For the first nine months of the year, *goeasy* recorded revenues of \$221 million, up 17.1% compared with \$189 million in the first nine months of 2014. Operating income for the period was \$33 million compared with \$23 million in the first nine months of 2014, an increase of 43% while net income increased by \$3.5 million or 28%. Diluted earnings per share increased from \$0.91 to \$1.15, an increase of 26%.

Outlook

The Company's 2015 targets remain unchanged from the targets detailed in its earnings release for the second quarter of 2015.

The Company has established the following targets for 2016:

- open 10 - 20 new *easyfinancial* locations
- *easyfinancial* gross consumer loans receivable portfolio growing to \$360 - \$390 million by year end
- *easyfinancial* operating margins for 2016 of 32 – 35%.

Based on these assumptions, the Company expects total revenue growth of 16 - 20% for 2016. The achievement of these targets by the Company, however, is predicated on a number of factors, including the pace of expansion of *easyfinancial*.

In addition to specific targets for the 2015 and 2016 fiscal years, the Company has established a number of three year targets that it is working to achieve by the end of 2018.

- 220 – 240 *easyfinancial* locations operating by the end of 2018
- *easyfinancial* gross consumer loans receivable portfolio growing to \$500 million
- *easyfinancial* margins of 35%

“The progress made on all fronts during the last few years has positioned the Company for significant EPS expansion and unencumbered loan book growth for the next few years,” Mr. Ingram commented. “Our plans for next year are focused on completing existing IT projects, accelerating new customer originations, particularly through the indirect channel, and achieving efficiency and effectiveness as the business continues to expand.”

The Board of Directors has approved a quarterly dividend payment of \$0.10 per share payable on January 8, 2016 to the holders of common shares of record as at the close of business on December 24, 2015.

Forward-Looking Statements

This new 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 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 the Company’s December 31, 2014 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,



TSX Symbol: GSY

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Press Release

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open new locations on favourable terms, secure new franchised locations, 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 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 September 30, 2015, the Company operated 186 *easyhome* Leasing stores (including 25 franchises and 4 consolidated franchise locations) and 201 *easyfinancial* locations.

goeasy Ltd. is the 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, *easyhome* Leasing and *easyfinancial*. *easyhome* Leasing 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. *easyfinancial* is the leading provider of alternative financial services, offering consumer loans between \$500-\$10,000, and 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. 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 180 *easyhome* Leasing and 200 *easyfinancial* 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.**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(unaudited)

(expressed in thousands of Canadian dollars)

	As At September 30, 2015	As At December 31, 2014
ASSETS		
Cash	22,261	1,165
Amounts receivable	14,321	16,508
Prepaid expenses	3,002	1,971
Income taxes receivable	1,260	-
Consumer loans receivable	237,907	180,693
Lease assets	60,523	64,526
Property and equipment	19,437	16,915
Deferred tax assets	5,603	6,725
Intangible assets	13,884	11,006
Goodwill	21,310	19,963
TOTAL ASSETS	399,508	319,472
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving operating facility	-	1,756
Accounts payable and accrued liabilities	25,490	32,837
Income taxes payable	-	3,042
Dividends payable	1,339	1,133
Deferred lease inducements	2,122	2,603
Unearned revenue	3,625	3,978
Provisions	584	314
Term loan	197,515	119,841
TOTAL LIABILITIES	230,675	165,504
Shareholders' equity		
Share capital	81,481	80,364
Contributed surplus	8,760	6,458
Accumulated other comprehensive income	1,113	694
Retained earnings	77,479	66,452
TOTAL SHAREHOLDERS' EQUITY	168,833	153,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	399,508	319,472

goeasy Ltd.

INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
REVENUE				
Lease revenue	37,256	37,041	110,129	113,623
Interest income	26,481	17,107	71,280	44,622
Other	14,246	11,380	39,989	30,863
	77,983	65,528	221,398	189,108
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	21,328	19,107	63,561	56,849
Stock based compensation	1,009	1,182	3,604	4,450
Advertising and promotion	2,754	3,174	8,069	6,510
Bad debts	10,856	7,252	28,460	17,507
Occupancy	7,995	6,994	23,584	20,903
Other	6,671	6,080	19,034	17,673
	50,613	43,789	146,312	123,892
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	12,248	12,564	35,506	36,925
Depreciation of property and equipment	1,326	1,215	3,965	3,560
Amortization of intangible assets	880	526	2,464	1,512
Impairment, net	44	26	90	168
	14,498	14,331	42,025	42,165
Total operating expenses	65,111	58,120	188,337	166,057
Operating income	12,872	7,408	33,061	23,051
Finance costs	3,978	2,535	10,729	5,893
Income before income taxes	8,894	4,873	22,332	17,158
Income tax expense (recovery)				
Current	1,960	1,708	4,998	8,621
Deferred	678	(305)	1,138	(4,099)
	2,638	1,403	6,136	4,522
Net income	6,256	3,470	16,196	12,636
Basic earnings per share	0.46	0.26	1.19	0.94
Diluted earnings per share	0.45	0.25	1.15	0.91