
goeasy Ltd. Reports Strongest Quarterly and Annual Performance in Company History and Announces 25% Dividend Increase

Revenue Growth of 18%, Net Income and Earnings Per Share Growth of 26%

Mississauga February 17, 2016: *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 that 2015 concluded with its best quarter ever, making it the strongest year in the Company’s history. The Company also announced a 25% increase in its annual dividend from \$0.40 to \$0.50 per share.

Q4 2015 Results

Revenue for the fourth quarter of 2015 increased to a record of \$83 million, an increase of 18.3% from \$70 million in the fourth quarter of 2014. Total same store sales growth in the quarter was 16.5%. The growth was driven primarily by the expansion of *easyfinancial* and the related growth of its consumer loans receivable portfolio which grew by \$35.8 million during the fourth quarter of 2015 compared to growth of \$26.5 in the fourth quarter of 2014. The gross consumer loans receivable as at December 31, 2015 was \$289 million compared with \$192 million as at December 31, 2014, an increase of 51%.

Operating income for the quarter was \$15.0 million, up \$4.7 million or 45% compared to normalized operating income of \$11.3 for the fourth quarter of 2014. Net income for the quarter was \$7.5 million, an increase of 26% compared with the normalized net income of \$6.0 million reported in the fourth quarter of 2014. Diluted earnings per share for the quarter increased to \$0.54 compared to \$0.43 (normalized) for the fourth quarter of 2014. These income statement metrics represent record quarterly performance for *goeasy*.

“We are very pleased to have once again achieved record financial performance in the quarter,” said David Ingram, *goeasy*’s President and Chief Executive Officer. “Our strong fourth quarter was achieved through the continued growth of *easyfinancial* and improvements in the operating margin of *easyhome* Leasing. *easyfinancial* continues to expand by offering consumers an alternative between traditional banks and expensive payday lenders, while responsibly managing risk through industry-leading credit modeling and underwriting practices.”

Other highlights for the fourth quarter of 2015 include:

easyfinancial

- Revenue increased by 46% for the fourth quarter of 2015 compared to the fourth quarter of 2014.
- Gross loan originations increased by 50% from \$74 million in the fourth quarter of 2014 to \$111 million in the current quarter.
- Operating margin remained strong at 32.9%.

***easyhome* Leasing**

- Same store revenue growth was 5.0%. This growth was offset by the impact of store sales and closures over the past 15 months resulting in a revenue decline of 3.4%.
- Operating income for the fourth quarter of 2015 increased by \$1.0 million or 15.8% to \$7.0 million compared to the fourth quarter of 2014.
- The operating margin for the fourth quarter of 2015 was 18.5%, up from the 15.4% reported for the same period in 2014.

Overall

- Operating margin was 18.1% for the quarter, up from the normalized operating margin of 14.7% in the fourth quarter of 2014.
- The Company's return on equity improved to 17.5% in the current quarter from 15.8% (normalized) in the fourth quarter of 2014.

Full 2015 Results

For the full year, *goeasy* recorded revenues of \$304 million, up 17.4% compared with \$259 million in 2014. Operating income for the year was \$48.1 million compared with \$33.4 million (normalized) in 2014, an increase of 44%.

Net income for 2015 was \$23.7 million compared to normalized net income of \$18.6 million for 2014, an increase of \$5.1 million or 28%. Diluted earnings per share increased from \$1.34 (normalized) to \$1.69, an increase of 26%.

In addition to the strong financial performance during 2015, the Company also made significant progress on its strategic initiatives:

- The Company acquired the lease rights for 45 retail locations across Canada from a former payday loan operator that allowed it to accelerate its real estate build-out for *easyfinancial*.
- *easyfinancial* increased its maximum loan size from \$5,000 to \$10,000 to meet strong consumer demand for its loan offerings.
- *easyfinancial*'s delivery channels were enhanced beginning with the partnership with a large national furniture retailer to provide its customers 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 profitability of the leasing operations was enhanced through the acquisition of 14 Canadian leasing stores from a large U.S. based merchandise leasing company.
- The Company's rebranding was completed with the change of its corporate name from *easyhome* Ltd. to *goeasy* Ltd., reflecting the evolution and growth in the business.
- The Company completed a relaunch of all of its transactional websites to improve the customer experience and increase the conversion rates of visitors to applications.

“2015 was the fourteenth consecutive year of growing revenues and delivering profits,” said Mr. Ingram. “Since 2001, total revenue has seen a compounded annual growth rate of 11.5% while net income has grown from a loss of \$1.9 million in 2001 to net income of \$23.7 million in 2015. My thanks go out to our entire team who work tirelessly to satisfy the needs of our customers who are underserved by traditional retail and financial organizations and require alternatives to help them improve their lives.”

Outlook

goeasy's strategic focus continues to be on evolving its delivery channels to better meet the needs of its customers, expanding the size and scope of *easyfinancial* and executing with efficiency and effectiveness.

“We are starting 2016 on exceptionally strong footing and expect continued growth,” said Mr. Ingram. “Economic conditions remain uncertain in several parts of the country. Although markets such as Alberta are likely to see negative impacts due to the difficulties in the oil sector, we are benefitting from our larger exposure in Ontario and British Columbia which are showing positive indications. Overall, we are confident that the prior investments we have made in technology, infrastructure, risk management and people will allow us to continue growing responsibly while proactively managing credit risk.”

The Company included annual targets for 2016 and three year targets that it is working to achieve by the end of 2018 in its previous press release announcing its results for the third quarter of 2015. These targets remain unchanged.

“The progress made on all fronts during the last few years has positioned the Company for significant earnings expansion and unencumbered loan book growth for the next few years,” Mr. Ingram commented. “Our plans for 2016 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.”

Dividend Increase

In consideration of the improved earnings achieved in 2015 compared to the prior year and the Company's confidence of its continued growth and access to capital going forward, the Board of Directors has approved an increase to the quarterly dividend from \$0.10 per share payable to \$0.125 per share. As such, the Board of Directors has approved a quarterly dividend of \$0.125 per share payable on April 8, 2016 to the holders of common shares of record as at the close of business on March 25, 2016.

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 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, 2015 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, 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 December 31, 2015, the Company operated 184 *easyhome* Leasing stores (including 26 franchises and 3 consolidated franchise locations) and 202 *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



TSX Symbol: **GSY**

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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.

CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended		Years Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
REVENUE				
Lease revenue	36,563	37,445	146,692	151,068
Interest income	29,534	19,615	100,814	64,237
Other	16,778	12,982	56,767	43,845
	82,875	70,042	304,273	259,150
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	22,097	21,163	85,658	78,012
Stock based compensation	1,149	1,814	4,753	6,264
Advertising and promotion	2,620	2,579	10,689	9,089
Bad debts	13,473	6,757	41,933	24,264
Occupancy	7,961	7,244	31,545	28,147
Other	6,513	5,692	25,547	23,365
Restructuring and other items	-	(1,225)	-	(1,225)
	53,813	44,024	200,125	167,916
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	11,901	12,500	47,407	49,425
Depreciation of property and equipment	1,580	1,229	5,545	4,789
Amortization of intangible assets	674	621	3,138	2,133
Impairment, net	(84)	126	6	294
	14,071	14,476	56,096	56,641
Total operating expenses	67,884	58,500	256,221	224,557
Operating income	14,991	11,542	48,052	34,593
Finance costs	4,605	2,907	15,334	8,800
Income before income taxes	10,386	8,635	32,718	25,793
Income tax expense (recovery)				
Current	3,159	153	8,157	8,774
Deferred	(305)	1,370	833	(2,729)
	2,854	1,523	8,990	6,045
Net income	7,532	7,112	23,728	19,748
Basic earnings per share	0.56	0.53	1.75	1.47
Diluted earnings per share	0.54	0.51	1.69	1.42

goeasy Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in thousands of Canadian dollars)

	As At December 31, 2015	As At December 31, 2014
ASSETS		
Cash	11,389	1,165
Amounts receivable	13,000	16,508
Prepaid expenses	2,446	1,971
Consumer loans receivable	270,961	180,693
Lease assets	60,753	64,526
Property and equipment	18,689	16,915
Deferred tax assets	5,913	6,725
Intangible assets	14,041	11,006
Goodwill	21,310	19,963
TOTAL ASSETS	418,502	319,472
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Revolving operating facility	-	1,756
Accounts payable and accrued liabilities	23,617	32,837
Income taxes payable	700	3,042
Dividends payable	1,341	1,133
Deferred lease inducements	1,922	2,603
Unearned revenue	3,982	3,978
Provisions	582	314
Term loan	210,299	119,841
TOTAL LIABILITIES	242,443	165,504
Shareholders' equity		
Share capital	81,725	80,364
Contributed surplus	9,852	6,458
Accumulated other comprehensive income	969	694
Retained earnings	83,513	66,452
TOTAL SHAREHOLDERS' EQUITY	176,059	153,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	418,502	319,472