



TSX Symbol: GSY

goeasy Ltd.  
33 City Centre Drive  
Suite 510  
Mississauga, Ontario  
L5B 2N5 Canada  
Tel: 905-272-2788  
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## Press Release

February 12, 2020

### **goeasy Ltd. Reports Record Results for the Fourth Quarter and Full Year**

**Loan Portfolio Increased from \$834 million to \$1.11 billion, up 33%**  
**Adjusted Quarterly Earnings Per Share Increased from \$1.02 to \$1.45, up 42%**  
**Adjusted Annual Earnings Per Share Increased from \$3.56 to \$5.17, up 45%**  
**Dividend Per Share Increased from \$1.24 to \$1.80, up 45%**

**Mississauga, February 12, 2020:** *goeasy* Ltd. (TSX: GSY), ("*goeasy*" or the "**Company**"), a leading full-service provider of goods and alternative financial services, announced its results for the fourth quarter ended December 31, 2019.

#### **Fourth Quarter Results**

During the quarter the Company generated a record \$314 million of total loan originations, up 18% from the \$265 million in the fourth quarter of 2018. The increased originations led to growth in the loan portfolio of \$75 million, which reached \$1.11 billion at the end of the quarter, up 33% from \$834 million as at December 31, 2018.

Revenue for the fourth quarter increased to a record \$166 million, up 20% over the same period in 2018, driven by the expansion of the consumer loan portfolio. The net charge-off rate for the quarter was 13.3% compared to 13.1% in the fourth quarter of 2018, 13.2% in the third quarter of 2019 and within the Company's targeted range of 11.5% to 13.5% for 2019.

Operating income grew to a record \$46.5 million, up 32% from \$35.1 million in the fourth quarter of 2018, while the operating margin expanded to a record 28.1% up from 25.4% in the prior year. Net income in the fourth quarter, which included a \$16.0 million after-tax charge associated with the refinancing of the Company's notes payable completed on November 27, 2019, was \$6.7 million, while diluted earnings per share was \$0.46. Excluding the one-time refinancing charge, adjusted net income was \$22.6 million, up \$6.8 million or 43% from the net income of \$15.9 million in the fourth quarter of 2018. Adjusted diluted earnings per share was \$1.45 per share, an increase of \$0.43 or 42% from diluted earnings per share of \$1.02 in the fourth quarter of 2018.



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“The fourth quarter wrapped up another record year for the Company and was highlighted by strong loan growth, stable credit performance and further improvements to our balance sheet and liquidity,” said Jason Mullins, goeasy’s President and Chief Executive Officer. “With brand awareness at an all-time high of 85%, we experienced record levels of consumer demand, resulting in an 18% increase in loan originations and a loan portfolio that exceeded \$1.11 billion. In parallel, we also made great strides to strengthen our balance sheet through the amendment to our revolving credit facility and refinancing of our notes payable, which collectively served to increase our liquidity and reduce our fully drawn weighted average cost of borrowing from 6.8% to 5.5%.” Mr. Mullins continued, “We are also pleased to have achieved all our stated targets for the year, while producing record revenue and earnings. After normalizing for the one-time charge related to our refinancing, adjusted diluted earnings per share for the full year was \$5.17, an increase of 45% versus the \$3.56 in 2018.”

### Other Key Fourth Quarter Highlights

#### easyfinancial

- Total application volume increased 19%
- Revenue grew to \$130 million, up 26%
- Secured loan portfolio grew to \$116 million, up 118%
- 62% of net loan advances in the quarter were issued to new customers, consistent with 2018
- 50% of applications acquired online, up from 42%
- Record aided brand awareness of 85%, up from 84%
- Average loan book per branch improved to \$3.7 million, an increase of 28%
- The delinquency rate on the final Saturday of the quarter was 5.1%, down slightly from 5.2%
- Operating income of \$53.3 million, up 29%
- Operating margin of 41%, up from 40% in the fourth quarter of 2018

#### easyhome

- Revenue of \$35.5 million, up 2%
- Same store revenue growth of 6.2%
- Consumer lending portfolio within easyhome stores increased to \$38.1 million, up 75%
- Revenue from consumer lending increased to \$5.1 million, up 76%
- Operating income of \$6.5 million, up 26%
- Operating margin of 18.3%, up from the 14.8% reported in the fourth quarter of 2018



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### Overall

- 39<sup>th</sup> consecutive quarter of same store sales growth
- 74<sup>th</sup> consecutive quarter of positive net income
- Total same store revenue growth of 19.7%
- Adjusted return on equity of 27% in the quarter, up from 23%
- Net external debt to net capitalization of 71% as at December 31, 2019, in line with the Company's target leverage ratio of 70%
- Cash provided by operating activities before the net issuance of consumer loans receivable and purchase of lease assets during the quarter was \$71.1 million
- Named a Top Employer in the Greater Toronto Area
- Subsequent to quarter-end, was added to the S&P/TSX Canadian Dividend Aristocrats Index with a 42% compound annual growth rate in the dividend over the prior 5 years

### Full Year Results

For the full year, the Company funded \$1.1 billion in loan originations, up 19% from the \$923 million in 2018. The consumer loan portfolio grew \$1.11 billion, up 33% from \$834 million in 2018. The growth in the consumer loan portfolio produced record revenues of \$609 million, up 20% compared with \$506 million in 2018. Operating income for 2019 was \$169 million up 41% from \$120 million in 2018.

Net income for the full year, which included a \$21.7 million one-time before tax charge associated with the refinancing of the Company's notes payable completed on November 27, 2019, was \$64.3 million, which resulted in diluted earnings per share of \$4.17. Excluding the one-time refinancing charge, adjusted net income was \$80.3 million, up \$27.2 million or 51% from the net income of \$53.1 million in 2018. Adjusted diluted earnings per share was \$5.17 per share, an increase of \$1.61 or 45% from diluted earnings per share of \$3.56 in 2018.



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The Company achieved all its stated targets for 2019 as follows:

	2019 Targets	2019 Actual
Gross Loan Receivable Portfolio at Year End	\$1.1B - \$1.2B	\$1.11B
easyfinancial Total Revenue Yield	49% - 51%	50.1%
New easyfinancial Locations	10 - 20	15
Net Charge-offs as a Percentage of Average Gross Consumer Loans Receivable	11.5% - 13.5%	13.3%
easyfinancial Operating Margin	40% - 42%	40.2%
Total Revenue Growth	20% - 22%	20.4%
Return on Equity*	24%+	25.3%*

\*Adjusted for the one-time \$16.0 million after-tax charge associated with the refinancing of the Company's notes payable completed on November 27, 2019

### Balance Sheet and Liquidity

Total assets were \$1.32 billion as at December 31, 2019, an increase of 25% from \$1.06 billion as at December 31, 2018, driven by the growth in the consumer loan portfolio.

Cash provided by operating activities before the net issuance of consumer loans receivable and purchase of lease assets was \$296 million in 2019, an increase of 28% from \$232 million in 2018.

During 2019, the Company made several enhancements to its balance sheet, including amendments to its revolving credit facility and refinancing of its unsecured notes payable. The amendments to the revolving credit facility increased the maximum principal amount available to be borrowed from \$174.5 million in 2018 to \$310.0 million and extended the maturity date from November 1, 2020 to February 12, 2022. As part of these amendments, the cost of borrowing under the revolving credit facility was also reduced. Subsequent to these amendments, interest on advances is payable at either the Canadian Bankers' Acceptance rate ("BA") plus 300 bps or lender's prime rate ("Prime") plus 200 bps, at the option of the Company. On November 27, 2019, the Company issued USD550.0 million of 5.375% senior unsecured notes payable which mature on December 1, 2024. The proceeds from the November 27, 2019 notes issuance were used to extinguish the Company's previous USD475.0 million of 7.875% senior unsecured outstanding notes payable that would have matured on November 1, 2022, and unwind the related cross-currency swap. As a result of repaying these notes, the Company incurred an early repayment penalty, recognized the remaining unamortized net deferred financing costs associated with these notes, realized a derivative loss, and reclassified the net change in cash flow hedge from other comprehensive income (loss) to the consolidated statement of income resulting in a one-time after-tax charge of \$16.0 million. Due to the improved cost of borrowing, the Company estimates it will prospectively save approximately C\$0.42 in annual after-tax earnings per share, more than offsetting the cost of refinancing.



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Based on the cash on hand at the end of the quarter and the borrowing capacity under the Company's amended revolving credit facility, goeasy had approximately \$240 million in funding capacity, which will allow it to achieve its targets for the growth of its consumer loan portfolio through to the third quarter of 2021. The Company has historically been able to obtain the additional financing required to fund the growth of its business at steadily lower costs of borrowing, at more favorable terms, and extending its liquidity runway. 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 December 31, 2019 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 \$2.2 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 22 months.

### Future Outlook

The Company has provided a 3-year forecast for 2020 through 2022. The periods of 2020 and 2021 have been updated to reflect the most recent outlook. The Company continues to pursue a long-term strategy that includes expanding its product range, developing its channels of distribution and leveraging risk-based pricing offers, which increase the average loan size and extend the life of its customer relationships. As such, the total yield earned on its consumer loan portfolio will gradually decline, while net charge-off rates moderate and operating margins expand.

	2020 Forecasts	2021 Forecasts	2022 Forecasts
Gross Consumer Loan Receivable Portfolio at Year End	\$1.3B - \$1.4B	\$1.5B - \$1.7B	\$1.8B - \$2B
easyfinancial Total Revenue Yield	46.5% - 48.5%	43% - 45%	42% - 44%
New easyfinancial locations to be opened during the year	20 - 25	20 - 25	15 - 20
Net Charge-offs as a Percentage of Average Gross Consumer Loans Receivable	11.5% - 13.5%	11% - 13%	11% - 13%
easyfinancial Operating Margin	42% - 44%	43% - 45%	43% - 45%
Total Revenue Growth	14 - 16%	12% - 14%	10% - 12%
Return on Equity	26%+	25%+	23%+
Net Debt to Total Capitalization	66% - 68%	64% - 66%	62% - 64%



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“As we look forward to 2020 and beyond, we are excited about the many opportunities that lie ahead. We are in the early period of executing our strategy to expand the product range, develop our channels of distribution, increase our geographic footprint and deliver a best-in-class customer experience that helps over 60% of our customers improve their credit score and 1 in 3 graduate to prime credit. With a strong balance sheet and award-winning culture to help fuel our ambitions, we are positioned better than ever to capture a greater share of the \$231 billion non-prime consumer credit market. Our updated three-year forecast reflects the consumer loan portfolio growing to between \$1.8 billion and \$2 billion by the end of 2022, while credit continues to gradually improve and the net debt to total capitalization steadily declines.” Mr. Mullins concluded, “I want to thank the entire goeasy team for the passion that they pour into taking care of our customers and for all of their accomplishments during another record year for our Company. We are truly just getting started.”

### Dividend

Based on its 2019 adjusted earnings 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 \$1.24 per share to \$1.80 per share, an increase of 45%. 2019 marks the 6<sup>th</sup> consecutive year of an increase in the dividend to shareholders. As such, the Board of Directors has approved a quarterly dividend of \$0.45 per share payable on April 10, 2020 to the holders of common shares of record as at the close of business on March 27, 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.



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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](http://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 over \$3.9 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



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communities in which it operates and has raised over \$2.9 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" and goeasy's convertible debentures are traded on the TSX under the trading symbol "GSY-DB". goeasy is rated BB- with a stable trend from S&P and Ba3 with a stable trend from Moody's. Visit [www.goeasy.com](http://www.goeasy.com).

For further information contact:

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President & Chief Executive Officer  
(905) 272-2788

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



**goeasy Ltd.****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(expressed in thousands of Canadian dollars)

	As At December 31, 2019	As At December 31, 2018
<b>ASSETS</b>		
Cash	46,341	100,188
Amounts receivable	18,482	15,450
Prepaid expenses	7,077	3,835
Consumer loans receivable, net	1,040,552	782,864
Investment	34,300	-
Lease assets	48,696	51,618
Property and equipment, net	23,007	21,283
Deferred tax assets	14,961	9,445
Derivative financial asset	-	35,094
Intangible assets, net	17,749	14,589
Right-of-use assets	46,147	-
Goodwill	21,310	21,310
<b>TOTAL ASSETS</b>	<b>1,318,622</b>	<b>1,055,676</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Revolving credit facility	115,000	-
Accounts payable and accrued liabilities	41,350	45,103
Income taxes payable	4,187	7,499
Dividends payable	4,448	3,247
Deferred lease inducements	-	1,234
Unearned revenue	8,082	6,002
Derivative financial liabilities	16,435	-
Lease liabilities	52,573	-
Convertible debentures	41,712	40,581
Notes payable	702,414	650,481
<b>TOTAL LIABILITIES</b>	<b>986,201</b>	<b>754,147</b>
<b>Shareholders' equity</b>		
Share capital	141,956	138,090
Contributed surplus	20,296	16,105
Accumulated other comprehensive income (loss)	(915)	3,624
Retained earnings	171,084	143,710
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>332,421</b>	<b>301,529</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,318,622</b>	<b>1,055,676</b>

goeasy Ltd.

**CONSOLIDATED STATEMENTS OF INCOME**

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

	Three Months Ended		Year Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>REVENUE</b>				
Interest income	96,403	73,834	345,997	255,997
Lease revenue	28,268	29,437	113,236	119,745
Commissions earned	37,169	31,486	135,510	117,000
Charges and fees	3,696	3,403	14,640	13,449
	<b>165,536</b>	<b>138,160</b>	<b>609,383</b>	<b>506,191</b>
<b>EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>				
Salaries and benefits	31,166	29,183	120,414	114,522
Stock-based compensation	2,858	1,755	8,686	6,836
Advertising and promotion	7,488	6,203	26,699	19,145
Bad debts	43,257	34,186	156,742	118,980
Occupancy	5,484	8,807	20,573	34,665
Technology costs	3,222	2,826	12,293	11,118
Other expenses	9,315	7,409	30,819	29,205
	<b>102,790</b>	<b>90,369</b>	<b>376,226</b>	<b>334,471</b>
<b>DEPRECIATION AND AMORTIZATION</b>				
Depreciation of lease assets	9,351	9,944	37,402	40,088
Depreciation of right-of-use assets	3,933	-	15,199	-
Depreciation of property and equipment	1,624	1,249	6,281	5,719
Amortization of intangible assets	1,355	1,492	5,482	6,196
	<b>16,263</b>	<b>12,685</b>	<b>64,364</b>	<b>52,003</b>
<b>Total operating expenses</b>	<b>119,053</b>	<b>103,054</b>	<b>440,590</b>	<b>386,474</b>
Operating income	46,483	35,106	168,793	119,717
Finance costs				
Interest expenses and amortization of deferred financing charges	14,744	12,811	55,094	45,800
Interest expenses on lease liabilities	656	-	2,464	-
Refinancing cost relating to notes payable	21,723	-	21,723	-
	<b>37,123</b>	<b>12,811</b>	<b>79,281</b>	<b>45,800</b>
Income before income taxes	9,360	22,295	89,512	73,917
Income tax expense (recovery)				
Current	5,812	3,753	27,763	24,354
Deferred	(3,135)	2,655	(2,600)	(3,561)
	<b>2,677</b>	<b>6,408</b>	<b>25,163</b>	<b>20,793</b>
<b>Net income</b>	<b>6,683</b>	<b>15,887</b>	<b>64,349</b>	<b>53,124</b>
<b>Basic earnings per share</b>	<b>0.46</b>	<b>1.07</b>	<b>4.40</b>	<b>3.78</b>
<b>Diluted earnings per share</b>	<b>0.46</b>	<b>1.02</b>	<b>4.17</b>	<b>3.56</b>

**Segmented Reporting**

(\$ in 000's except earnings per share)	Three Months Ended December 31, 2019			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	92,803	3,600	-	96,403
Lease revenue	-	28,268	-	28,268
Commissions earned	34,777	2,392	-	37,169
Charges and fees	2,425	1,271	-	3,696
	130,005	35,531	-	165,536
Total operating expenses before depreciation and amortization	73,062	17,309	12,419	102,790
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	1,805	9,757	768	12,330
Depreciation of right-of-use assets	1,793	1,965	175	3,933
	3,598	11,722	943	16,263
Segment operating income (loss)	53,345	6,500	(13,362)	46,483
Finance costs				
Interest expenses and amortization of deferred financing charges				14,744
Interest expense on lease liabilities				656
Refinancing cost relating to notes payable				21,723
				37,123
Income before income taxes				9,360
Income taxes				2,677
Net Income				6,683
Diluted earnings per share				0.46
(\$ in 000's except earnings per share)	Three Months Ended December 31, 2018			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	71,814	2,020	-	73,834
Lease revenue	-	29,437	-	29,437
Commissions earned	29,594	1,892	-	31,486
Charges and fees	1,878	1,525	-	3,403
	103,286	34,874	-	138,160
Total operating expenses before depreciation and amortization	60,032	19,482	10,855	90,369
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	1,965	10,238	482	12,685
Segment operating income (loss)	41,289	5,154	(11,337)	35,106
Finance costs				
Interest expense and amortization of deferred financing charges				12,811
Income before income taxes				22,295
Income taxes				6,408
Net Income				15,887
Diluted earnings per share				1.02

(\$ in 000's except earnings per share)	Year Ended December 31, 2019			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	334,124	11,873	-	345,997
Lease revenue	-	113,236	-	113,236
Commissions earned	126,806	8,704	-	135,510
Charges and fees	9,278	5,362	-	14,640
	470,208	139,175	-	609,383
Total operating expenses before depreciation and amortization	267,356	67,253	41,617	376,226
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	7,194	39,140	2,831	49,165
Depreciation of right-of-use assets	6,521	7,943	735	15,199
	13,715	47,083	3,566	64,364
Segment operating income (loss)	189,137	24,839	(45,183)	168,793
Finance costs				
Interest expense and amortization of deferred financing charges				55,094
Interest expense on lease liabilities				2,464
Refinancing cost relating to notes payable				21,723
				79,281
Income before income taxes				89,512
Income taxes				25,163
Net Income				64,349
Diluted earnings per share				4.17

(\$ in 000's except earnings per share)	Year Ended December 31, 2018			
	easyfinancial	easyhome	Corporate	Total
Revenue				
Interest income	250,622	5,375	-	255,997
Lease revenue	-	119,745	-	119,745
Commissions earned	110,423	6,577	-	117,000
Charges and fees	7,280	6,169	-	13,449
	368,325	137,866	-	506,191
Total operating expenses before depreciation and amortization	218,138	74,215	42,118	334,471
Depreciation and amortization				
Depreciation and amortization of lease assets, property and equipment and intangible assets	8,333	42,104	1,566	52,003
Segment operating income (loss)	141,854	21,547	(43,684)	119,717
Finance costs				
Interest expense and amortization of deferred financing charges				45,800
Income before income taxes				73,917
Income taxes				20,793
Net Income				53,124
Diluted earnings per share				3.56

Summary of Financial Results and Key Performance Indicators

(\$ in 000's except earnings per share and percentages)	Three Months Ended		Variance	Variance
	December 31, 2019	December 31, 2018	\$ / bps	% change
<b>Summary Financial Results</b>				
Revenue	165,536	138,160	27,376	19.8%
Operating expenses before depreciation and amortization	102,790	90,369	12,421	13.7%
EBITDA	53,395	37,847	15,548	41.1%
EBITDA margin	32.3%	27.4%	490 bps	17.9%
Depreciation and amortization expense	16,263	12,685	3,578	28.2%
Operating income	46,483	35,106	11,377	32.4%
Operating margin	28.1%	25.4%	270 bps	10.6%
Interest expense and amortization of deferred finance charges and interest expense on lease liabilities	15,400	12,811	2,589	20.2%
Refinancing costs <sup>1</sup>	21,723	-	21,723	100.0%
Effective income tax rate	28.6%	28.7%	(10 bps)	(0.3%)
Net income	6,683	15,887	(9,204)	(57.9%)
Diluted earnings per share	0.46	1.02	(0.56)	(54.9%)
Return on equity	8.0%	23.0%	(1,500 bps)	(65.2%)
<b>Adjusted (Normalized) Financial Results<sup>1</sup></b>				
Adjusted net income	22,649	15,887	6,762	42.6%
Adjusted diluted earnings per share	1.45	1.02	0.43	42.2%
Adjusted return on equity	27.0%	23.0%	400 bps	17.4%
<b>Key Performance Indicators</b>				
Same store revenue growth (overall)	19.7%	28.5%	(880 bps)	(30.9%)
Same store revenue growth (easyhome)	6.2%	7.1%	(90 bps)	(12.7%)
<b>Segment Financials</b>				
easyfinancial revenue	130,005	103,286	26,719	25.9%
easyfinancial operating margin	41.0%	40.0%	100 bps	2.5%
easyhome revenue	35,531	34,874	657	1.9%
easyhome operating margin	18.3%	14.8%	350 bps	23.6%
<b>Portfolio Indicators</b>				
Gross consumer loans receivable	1,110,633	833,779	276,854	33.2%
Growth in consumer loans receivable	75,037	84,198	(9,161)	(10.9%)
Gross loan originations	313,514	264,996	48,518	18.3%
Total yield on consumer loans (including ancillary products)	49.8%	52.7%	(290 bps)	(5.5%)
Net charge-offs as a percentage of average gross consumer loans receivable	13.3%	13.1%	20 bps	1.5%
Potential monthly lease revenue	8,643	9,141	(498)	(5.4%)

(\$ in 000's except earnings per share and percentages)	Year Ended		Variance	Variance
	December 31, 2019	December 31, 2018	\$ / bps	% change
<b>Summary Financial Results</b>				
Revenue	609,383	506,191	103,192	20.4%
Operating expenses before depreciation and amortization	376,226	334,471	41,755	12.5%
EBITDA	195,755	131,632	64,123	48.7%
EBITDA margin	32.1%	26.0%	610 bps	23.5%
Depreciation and amortization expense	64,364	52,003	12,361	23.8%
Operating income	168,793	119,717	49,076	41.0%
Operating margin	27.7%	23.7%	400 bps	16.9%
Interest expense and amortization of deferred finance charges and interest expense on lease liabilities	57,558	45,800	11,758	25.7%
Refinancing costs <sup>1</sup>	21,723	-	21,723	100.0%
Effective income tax rate	28.1%	28.1%	-	-
Net income	64,349	53,124	11,225	21.1%
Diluted earnings per share	4.17	3.56	0.61	17.1%
Return on equity	20.2%	21.8%	(160 bps)	(7.3%)
<b>Adjusted (Normalized) Financial Results<sup>1</sup></b>				
Adjusted net income	80,315	53,124	27,191	51.2%
Adjusted diluted earnings per share	5.17	3.56	1.61	45.2%
Adjusted return on equity	25.3%	21.8%	350 bps	16.1%
<b>Key Performance Indicators</b>				
Same store revenue growth (overall)	19.5%	25.7%	(620 bps)	(24.1%)
Same store revenue growth (easyhome)	4.3%	6.4%	(210 bps)	(32.8%)
<b>Segment Financials</b>				
easyfinancial revenue	470,208	368,325	101,883	27.7%
easyfinancial operating margin	40.2%	38.5%	170 bps	4.4%
easyhome revenue	139,175	137,866	1,309	0.9%
easyhome operating margin	17.8%	15.6%	220 bps	14.1%
<b>Portfolio Indicators</b>				
Gross consumer loans receivable	1,110,633	833,779	276,854	33.2%
Growth in consumer loans receivable	276,854	307,233	(30,379)	(9.9%)
Gross loan originations	1,095,375	922,550	172,825	18.7%
Total yield on consumer loans (including ancillary products)	50.1%	54.2%	(410 bps)	(7.6%)
Net charge-offs as a percentage of average gross consumer loans receivable	13.3%	12.7%	60 bps	4.7%
Potential monthly lease revenue	8,643	9,141	(498)	(5.4%)

<sup>1</sup>During the fourth quarter of 2019, the Company refinanced its notes payable incurring a \$16.0 million after-tax charge associated with extinguishing the Company's notes payable.