

***easyhome* Ltd. Reports Results for the First Quarter ended March 31, 2015**

Total Revenue Growth of 17%, Same Store Sales Growth of 20%, Operating Income Growth of 23% and Successful Integration of 45 Acquired Locations

Mississauga May 4, 2015: *easyhome* Ltd. (TSX: EH), (“*easyhome*” or the “**Company**”), the Canadian leader in providing goods and financial services to the cash and credit constrained consumer, today announced its results for the first quarter ended March 31, 2015.

Revenue for the first quarter of 2015 increased to \$70.5 million, an increase of 16.9% from \$60.3 million in the first quarter of 2014. The growth was driven primarily by the expansion of *easyfinancial* and the related growth of its consumer loans receivable portfolio. Total same store sales growth in the quarter was 19.8%. Operating income for the quarter was \$9.8 million, up \$1.8 million or 23% compared to the first quarter of 2014. Net income for the quarter was \$4.9 million, an increase of 6.3% compared with \$4.6 million reported in the first quarter of 2014. Diluted earnings per share for the quarter increased to \$0.35 compared to \$0.34 for the first quarter of 2014. Operating income and earnings per share for the first quarter of 2015 were reduced by \$0.8 million and \$0.04 per share, respectively, due to the earnings drag from the 45 new locations acquired from a former payday loan operator on February 10, 2015.

“We are satisfied with the results for the quarter,” said David Ingram, *easyhome*’s President and Chief Executive Officer. “We made progress in the advancement of our strategic imperatives, specifically the expansion of our *easyfinancial* retail footprint through the acquisition of 45 locations during the quarter. Although this transaction impacted earnings in the quarter by \$0.04 per share, we are confident that it will deliver the expected positive benefits in the second half of 2015 and onwards.”

During the first quarter of 2015, the consumer loans receivable portfolio experienced growth of \$15.3 million compared with growth of \$12.8 million in the first quarter of 2014. The gross consumer loans receivable as at March 31, 2015 was \$207.5 million compared with \$123.5 million as at March 31, 2014, growing 68% over the preceding 12 months.

Other highlights for the first quarter of 2015 include:

easyfinancial

- Revenue for *easyfinancial* increased by 61% for the first quarter of 2015 compared to the first quarter of 2014.
- Operating margin of 30.2% for the first quarter of 2015 was down from 35.8% reported for the same period in 2014. The drag on earnings of \$0.8 million associated with acquisition of the 45 new locations reduced operating margin by 2.5%.
- The 45 new locations acquired on February 10, 2015 opened as *easyfinancial* locations on March 9, 2015 and, as a group, are performing according to our expectations for both growth and operating income performance.



TSX Symbol: **EH**

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Press Release

May 4, 2015

easyhome Leasing

- Revenue for *easyhome* leasing decreased by \$2.0 million or 5.0%. Same store revenue growth of 3.3% was more than offset by the impact of store sales and closures over the past 15 months and the sale of the U.S. franchise royalty stream that occurred on December 31, 2014.
- The operating margin of *easyhome* Leasing for the first quarter of 2015 was 15.6%, within the range of our long-term expectations.

Overall

- The Company has made progress on its strategic imperatives, including opening 49 new *easyfinancial* locations during the quarter, increasing the number of leasing and lending transactions that originate online by 70% and 150%, respectively, and continuing to refine our credit adjudication strategies to take advantage of greater amounts of historical data.

Outlook

David Ingram commented, “We are confident that our growth plans for *easyfinancial*, including the acquisition of 45 new locations, will enable us to achieve our loan book target of \$280 - \$295 million by the end of 2015 and our new store schedule is on track for at least 60 locations this year. This continued growth will enable *easyfinancial* to achieve its goal of becoming Canada’s largest provider of consumer loans as an alternative to traditional banks and payday lenders.”

Mr. Ingram continued, “The earnings drag associated with the acquisition of stores from a former payday loan lender will impact earnings for the second quarter of 2015 by \$0.10 before it contributes to earnings in the second half of the year. We anticipate that the new store drag associated with the acquisition will reduce earnings per share in 2015 by approximately \$0.10, but increase earnings per share by approximately \$0.15 in 2016 and add \$0.25 in 2017.”

“We expect our earnings to begin expanding in the second half of 2015 as we experience the benefits of several recent enhancements and ongoing key initiatives,” Mr. Ingram commented. “In the fourth quarter of 2014, we made adjustments to our credit criteria for loan originations. While this will result in a short term increase in loss rates to the upper level of our historical range, we will experience benefits in reduced loan losses longer term. Secondly, we have begun the process of redesigning our eCommerce sites to make them more user friendly and optimized for mobile devices. We expect this will lead to tangible increases in online conversion rates, helping drive sales for both the lending and leasing businesses.”

The Board of Directors has approved a quarterly dividend payment of \$0.10 per share payable on July 10, 2015 to the holders of common shares of record as at the close of business on June 26, 2015.

About easyhome



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Press Release

May 4, 2015

As at March 31, 2015, the Company operated 188 easyhome leasing stores (including 22 franchises and 6 consolidated franchise locations) and 194 easyfinancial locations.

easyhome Ltd. is the Canadian leader in providing goods and financial services to the cash and credit constrained consumer. easyhome Ltd. serves its customers through two key operating divisions, easyhome Leasing and easyfinancial. easyhome Leasing is Canada's largest merchandise leasing Company, offering top quality, brand-name household furnishings, appliances and home electronic products to consumers under weekly or monthly leasing agreements through both corporate and franchise stores. easyfinancial is a leading provider of consumer loans as an alternative to traditional banks and payday lenders.

easyhome Ltd. is listed on the TSX under the symbol 'EH'. For more information, visit www.easyhome.ca.

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easyhome Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited)

(expressed in thousands of Canadian dollars)

	As At March 31, 2015	As At December 31, 2014
ASSETS		
Cash	333	1,165
Amounts receivable	12,176	16,508
Prepaid expenses	2,861	1,971
Consumer loans receivable	194,762	180,693
Lease assets	64,496	64,526
Property and equipment	18,964	16,915
Deferred tax assets	6,265	6,725
Intangible assets	12,614	11,006
Goodwill	20,374	19,963
TOTAL ASSETS	332,845	319,472
LIABILITIES AND SHAREHOLDERS' EQUITY		
Revolving operating facility	1,617	1,756
Accounts payable and accrued liabilities	24,786	32,837
Income taxes payable	4,111	3,042
Dividends payable	1,343	1,133
Deferred lease inducements	2,323	2,603
Unearned revenue	4,031	3,978
Provisions	407	314
Term loan	134,998	119,841
TOTAL LIABILITIES	173,616	165,504
Shareholders' equity		
Share capital	81,442	80,364
Contributed surplus	6,753	6,458
Accumulated other comprehensive income	1,002	694
Retained earnings	70,032	66,452
TOTAL SHAREHOLDERS' EQUITY	159,229	153,968
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	332,845	319,472

easyhome Ltd.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

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

	Three Months Ended	
	March 31, 2015	March 31, 2014
REVENUE		
Lease revenue	36,753	38,500
Interest income	21,158	12,789
Other	12,614	9,045
	70,525	60,334
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION		
Salaries and benefits	21,155	18,259
Stock based compensation	1,620	1,547
Advertising and promotion	2,587	1,629
Bad debts	8,168	4,207
Occupancy	7,636	6,923
Other	5,958	6,028
	47,124	38,593
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets	11,624	12,060
Depreciation of property and equipment	1,280	1,146
Amortization of intangible assets	722	480
Impairment, net	-	82
	13,626	13,768
Total operating expenses	60,750	52,361
Operating income	9,775	7,973
Finance costs	3,130	1,558
Income before income taxes	6,645	6,415
Income tax expense (recovery)		
Current	1,252	3,199
Deferred	470	(1,414)
	1,722	1,785
Net income	4,923	4,630
Basic earnings per share	0.36	0.35
Diluted earnings per share	0.35	0.34