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**goeasy Ltd. Reports Results for the First Quarter ended March 31, 2016**

***Revenue Growth of 17%, Earnings Per Share Growth of 49%,  
Sequential Reduction to Loan Loss Rate***

**Mississauga May 2, 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 its results for the first quarter ended March 31, 2015.

Revenue for the first quarter of 2016 increased to \$82 million, an increase of 16.7% from \$71 million in the first quarter of 2015. Total same store sales growth in the quarter was 14.4%. The growth was driven primarily by the expansion of *easyfinancial* and the related growth of its consumer loans receivable portfolio which grew by \$14.7 million during the first quarter of 2016. The gross consumer loans receivable as at March 31, 2016 was \$304 million compared with \$208 million as at March 31, 2015, an increase of 47%.

Operating income for the quarter was \$14.7 million, up \$5.0 million or 51% compared to operating income of \$9.8 million for the first quarter of 2015. Net income for the quarter was \$7.3 million, an increase of 47% compared with the net income of \$4.9 million reported in the first quarter of 2015. Diluted earnings per share for the quarter increased to \$0.52 compared to \$0.35 for the first quarter of 2015. These income statement metrics represent record first quarter performance for *goeasy*.

"We had a good start to 2016 with earnings and margin expansion," said David Ingram, *goeasy's* President and Chief Executive Officer. "We delivered on our commitment to leverage scale through the continued growth of *easyfinancial*, maintaining charge-off rates within our targeted range of 14% to 16% and increasing the operating margin of *easyhome*. *easyfinancial* continued to meet demand 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 first quarter of 2016 include:

***easyfinancial***

- Revenue increased by 40% for the first quarter of 2016 compared to the first quarter of 2015.
- Gross loan originations increased by 35% from \$61 million in the first quarter of 2015 to \$82 million in the current quarter.
- Operating margin improved to 34.9% in the current quarter from 30.2% in the first quarter of 2015.

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- Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.2%, within the forecasted range and sequentially lower than the 15.5% reported in the final quarter of 2015.

#### ***easyhome***

- Same store revenue growth was 2.9%.
- Operating income for the first quarter of 2016 increased by \$0.4 million or 6.7% to \$6.4 million compared to the first quarter of 2015.
- The operating margin for the first quarter of 2016 was 17.1%, up from the 15.6% reported for the same period in 2015.

#### **Overall**

- Operating margin was 17.9% for the quarter, up from the operating margin of 13.9% in the first quarter of 2015.
- The Company's return on equity improved to 16.3% in the current quarter from 12.6% in the first quarter of 2015.

In addition to the strong financial performance during the first quarter of 2016, the Company also made progress on its strategic initiatives:

- *easyfinancial* reached a milestone of \$1.0 billion in loans originated to Canadians since its launch in 2006.
- *easyfinancial* increased its maximum loan size from \$10,000 to \$15,000 to meet strong consumer demand for its loan offerings and introduced risk adjusted interest rates to reward existing customers with improved credit and attract new ones that are eligible for a lower rate of interest.
- *easyfinancial* entered into a framework agreement with Sears Canada Inc. ("Sears") to provide a point-of-sale financing platform for Sears' customers who wish to purchase large ticket items.

#### **Outlook**

David Ingram commented, "We are confident that our growth plans for *easyfinancial* will enable us to achieve our loan book target of \$360 - \$390 million by the end of 2016 and our new store schedule is on track for between 10 and 20 new locations this year. This continued growth, while maintaining loan loss rates within our targeted range of 14% to 16%, will enable *easyfinancial* to achieve its targeted operating margin of 32% to 35% for 2016."

*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.



TSX Symbol: GSY

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## Press Release

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The Company believes that its *easyfinancial* business model is ideally suited to effectively service the borrowing needs of its targeted consumer. A combination of retail branches, a strong on-line presence and the establishment of point of sale financing through merchant partners maximizes brand recognition and originations. *easyfinancial* utilizes strong central analytics and credit decisioning to make lending decisions that optimize the balance between origination volumes and loan losses based on its experience gained from over \$1.0 billion of loan originations. Finally, and most importantly, when compared to on-line lending (or so called “fintech” Companies) in the near prime and sub prime space, the establishment of direct personal relationships with customers utilizing the national branch network significantly improves customer engagement, reduces charge offs and leads to superior profitability.

Mr. Ingram concluded, “We are pleased to report a reduction in our loan loss rates from 15.5% in the fourth quarter of 2015 to 15.2% in the current quarter. This reduction was achieved through both the tightening of our credit underwriting models during 2015 and improved execution of our collection practices. Our current rate of delinquencies is at record lows.”

### **Normal Course Issuer Bid and Dividend**

On June 23, 2015, the Company put in place a Normal Course Issuer Bid allowing it to purchase for cancellation up to 670,000 Common Shares. During the three month period ended March 31, 2016, the Company purchased and cancelled 158,500 of its common shares and to-date the Company has purchased and cancelled 269,541 of its common shares under this normal course issuer bid which expires on June 24, 2016.

The Board of Directors has approved a quarterly dividend of \$0.125 per share payable on July 8, 2016 to the holders of common shares of record as at the close of business on June 24, 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.



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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 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 March 31, 2016, the Company operated 182 *easyhome* stores (including 26 franchises and 3 consolidated franchise locations) and 209 *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* and *easyfinancial*. *easyhome* 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-\$15,000, 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* 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](http://www.goeasy.com).



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

(unaudited)

(expressed in thousands of Canadian dollars)

	As At March 31, 2016	As At December 31, 2015
<b>ASSETS</b>		
Cash	18,273	11,389
Amounts receivable	12,069	13,000
Prepaid expenses	2,707	2,446
Consumer loans receivable	285,268	270,961
Lease assets	57,740	60,753
Property and equipment	18,352	18,689
Deferred tax assets	6,887	5,913
Intangible assets	14,494	14,041
Goodwill	21,310	21,310
<b>TOTAL ASSETS</b>	<b>437,100</b>	<b>418,502</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	24,426	23,617
Income taxes payable	1,983	700
Dividends payable	1,690	1,341
Deferred lease inducements	1,822	1,922
Unearned revenue	3,986	3,982
Provisions	455	582
Term loan	223,016	210,299
<b>TOTAL LIABILITIES</b>	<b>257,378</b>	<b>242,443</b>
<b>Shareholders' equity</b>		
Share capital	83,481	81,725
Contributed surplus	8,199	9,852
Accumulated other comprehensive income	807	969
Retained earnings	87,235	83,513
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>179,722</b>	<b>176,059</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>437,100</b>	<b>418,502</b>

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

(Unaudited)

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

	Three Months Ended	
	March 31, 2016	March 31, 2015
<b>REVENUE</b>		
Lease revenue	35,948	36,753
Interest income	31,555	21,158
Other	14,822	12,614
	<b>82,325</b>	<b>70,525</b>
<b>EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>		
Salaries and benefits	22,568	21,155
Stock based compensation	1,007	1,620
Advertising and promotion	2,485	2,587
Bad debts	12,380	8,168
Occupancy	7,979	7,636
Other	7,350	5,958
	<b>53,769</b>	<b>47,124</b>
<b>DEPRECIATION AND AMORTIZATION</b>		
Depreciation of lease assets	11,446	11,624
Depreciation of property and equipment	1,383	1,280
Amortization of intangible assets	974	722
	<b>13,803</b>	<b>13,626</b>
Total operating expenses	<b>67,572</b>	<b>60,750</b>
Operating income	<b>14,753</b>	<b>9,775</b>
Finance costs	<b>4,821</b>	<b>3,130</b>
Income before income taxes	<b>9,932</b>	<b>6,645</b>
Income tax expense (recovery)		
Current	3,653	1,252
Deferred	(973)	470
	<b>2,680</b>	<b>1,722</b>
<b>Net income</b>	<b>7,252</b>	<b>4,923</b>
<b>Basic earnings per share</b>	<b>0.54</b>	<b>0.36</b>
<b>Diluted earnings per share</b>	<b>0.52</b>	<b>0.35</b>