
**goeasy Ltd. Reports Record Performance for the Third Quarter
ended September 30, 2016**

Revenue Growth of 13%
Adjusted Net Income Growth of 41%

Mississauga November 3, 2016: *goeasy* Ltd. (TSX: GSY), ("*goeasy*" or the "**Company**"), a 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, 2016.

Q3 2016 Results

Revenue for the third quarter of 2016 increased to \$87.8 million, an increase of 12.6% from \$78.0 million in the third quarter of 2015. Total same store sales growth in the quarter was 15.4%. The growth was driven primarily by the expansion of *easyfinancial* and the related growth of its consumer loans receivable portfolio which reached \$344 million by quarter's end, up 35.5% when compared with September 30, 2015. Loan book growth in the third quarter of 2016 was \$17.5 million.

Operating income for the quarter was \$12.4 million. Operating income included transaction advisory costs of \$5.3 million to analyze, arrange financing and submit a bid for a potential strategic acquisition. Excluding these transaction advisory costs, adjusted operating income was \$17.8 million, up \$4.9 million or 37.9% compared to operating income of \$12.9 million in the third quarter of 2015. Adjusted net income for the quarter was \$8.8 million, up \$2.6 million or 41.2% from \$6.3 million in the third quarter of 2015. Adjusted diluted earnings per share for the quarter was \$0.64, up \$0.29 or 42.2% from \$0.45 in the third quarter of 2015. These income statement metrics represent record third quarter performance for *goeasy*.

"We are pleased to report another record quarter as we continue to meet strong consumer demand by offering everyday Canadians an alternative between banks and high cost payday lenders," said David Ingram, *goeasy's* President and Chief Executive Officer. "As we devoted significant time and resources to explore a strategic acquisition opportunity during the preceding quarters, our team also delivered record revenue and record adjusted net income for the period. Ultimately, we believe that pursuing the growth opportunities available to us through expanding our existing business will create the most value for our shareholders."

Other highlights for the third quarter of 2016 include:

easyfinancial

- Revenue increased by 34.0% from \$39.3 million in the third quarter of 2015 to \$52.6 million in the current quarter.

- Gross loan originations increased by 23.5% from \$81.8 million in the third quarter of 2015 to \$101.1 million in the current quarter.
- Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 15.4%, within the targeted range of 14% to 16%.
- Operating margin for the third quarter of 2016 improved from 32.4% to 39.9%.
- Cash generated from *easyfinancial* customer payments was \$89.0 million in the third quarter of 2016 compared to \$65.9 million in the third quarter of 2015.

easyhome

- Same store revenue declined 4.1%.
- The number of delivered units declined by 2.1% in the quarter when compared to the third quarter of 2015.
- The operating margin for *easyhome* for the third quarter of 2016 was 14.4%.

Overall

- 26th consecutive quarter of same store sales growth.
- Adjusted operating margin was 20.2% for the quarter, up from the operating margin of 16.5% in the third quarter of 2015.
- The Company's adjusted return on equity improved to 18.9% in the current quarter from 15.0% in the third quarter of 2015.

Nine Months Results

For the first nine months of the year, *goeasy* achieved revenues of \$256.2 million, up 15.7% compared with \$221.4 million in the first nine months of 2015. For the first nine months of 2016, operating income was \$45.3 million, net income was \$22.7 million and diluted earnings per share was \$1.63. The actual metrics for 2016 included a \$3.0 million gain on the sale of an investment and \$6.4 million in transaction advisory costs that are not routine and non-recurring. Excluding these items, adjusted operating income for the period was \$48.7 million compared with \$33.1 million in the first nine months of 2015, an increase of \$15.6 million or 47.4%; adjusted net income was \$24.8 million compared with \$16.2 million in the first nine months of 2015, an increase of 53.2%; and adjusted diluted earnings per share was \$1.78 compared with \$1.15 for the first nine months of 2015, an increase of 54.8%.

Balance Sheet and Liquidity

Total assets were \$483.4 million as at September 30, 2016, an increase of 21.0% from \$399.5 million as at September 30, 2015 and driven by the \$90.1 million growth in the gross consumer loans receivable portfolio. Total assets were funded, in part, by gross drawings of \$255.0 million under the term loan of the Company's credit facilities. As at September 30, 2016, the Company had \$74.8 available to support future growth consisting of \$29.8 million of cash, \$20.0 million under the revolving operating facility and \$25.0 million still available under the term loan facility.

The Company believes that the cash flows provided by operations will be sufficient in the near-term to meet operational requirements, purchase lease assets, meet capital spending requirements and pay dividends. Also, the additional availability described above will allow the Company to achieve its targets for the growth of its consumer loans receivable portfolio into mid 2017.

Outlook

The Company has updated its stated targets for 2016. The ending *easyfinancial* gross consumer loans receivable target has been narrowed to \$370 to \$380 million while the *easyfinancial* operating margin target has been increased to a range of 35% to 38% while maintaining loan loss rates within the targeted range of 14% to 16%. The Company's targets for new *easyfinancial* locations during 2016 has remained at 10 to 20 locations. Finally, given the reduction in demand within the rent-to-own industry experience by *easyhome*, the Company's revenue growth target has been moderated to a range of 14% to 16%.

The Company's targets for 2018 remain unchanged.

Normal Course Issuer Bid and Dividend

On June 22, 2016, the Company renewed its Normal Course Issuer Bid allowing it to purchase for cancellation up to 986,105 Common Shares over the following 12 months. During the three month period ended September 30, 2016, the Company purchased and cancelled 94,500 of its common shares under this normal course issuer bid.

The Board of Directors has approved a quarterly dividend of \$0.125 per share payable on January 13, 2017 to the holders of common shares of record as at the close of business on December 30, 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 September 30, 2016, the Company operated 177 *easyhome* stores (including 26 franchises and 3 consolidated franchise locations) and 209 *easyfinancial* locations.

goeasy Ltd. is a 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 175 *easyhome* and 200 *easyfinancial* locations across Canada and through its online and mobile eCommerce enabled platforms.



TSX Symbol: **GSY**

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Press Release

November 3, 2016

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 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(expressed in thousands of Canadian dollars)

	As At September 30, 2016	As At December 31, 2015
ASSETS		
Cash	29,752	11,389
Amounts receivable	11,664	13,000
Prepaid expenses	3,139	2,446
Consumer loans receivable	323,890	270,961
Lease assets	54,178	60,753
Property and equipment	16,757	18,689
Deferred tax assets	7,942	5,913
Intangible assets	14,753	14,041
Goodwill	21,310	21,310
TOTAL ASSETS	483,385	418,502
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	35,518	23,617
Income taxes payable	2,737	700
Dividends payable	1,665	1,341
Deferred lease inducements	1,572	1,922
Unearned revenue	4,640	3,982
Provisions	533	582
Term loan	248,654	210,299
TOTAL LIABILITIES	295,319	242,443
Shareholders' equity		
Share capital	82,544	81,725
Contributed surplus	8,757	9,852
Accumulated other comprehensive income	832	969
Retained earnings	95,933	83,513
TOTAL SHAREHOLDERS' EQUITY	188,066	176,059
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	483,385	418,502

goeasy Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
REVENUE				
Lease revenue	33,825	37,256	104,017	110,129
Interest income	35,776	26,481	101,305	71,280
Other	18,187	14,246	50,889	39,989
	87,788	77,983	256,211	221,398
Other income	-	-	3,000	-
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	22,761	21,328	68,543	63,561
Stock-based compensation	1,134	1,009	3,133	3,604
Advertising and promotion	2,595	2,754	9,215	8,069
Bad debts	14,037	10,856	39,732	28,460
Occupancy	8,334	7,995	24,543	23,584
Other expenses	7,656	6,671	21,402	19,034
Transaction advisory costs	5,308	-	6,382	-
	61,825	50,613	172,950	146,312
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	10,854	12,248	33,441	35,506
Depreciation of property and equipment	1,418	1,326	4,222	3,965
Amortization of intangible assets	1,073	880	3,078	2,464
Impairment, net	174	44	179	90
	13,519	14,498	40,920	42,025
Total operating expenses	75,344	65,111	213,870	188,337
Operating income	12,444	12,872	45,341	33,061
Finance costs	5,411	3,978	15,346	10,729
Income before income taxes	7,033	8,894	29,995	22,332
Income tax expense (recovery)				
Current	2,090	1,960	9,317	4,998
Deferred	11	678	(2,029)	1,138
	2,101	2,638	7,288	6,136
Net income	4,932	6,256	22,707	16,196
Basic earnings per share	0.37	0.46	1.67	1.19
Diluted earnings per share	0.36	0.45	1.63	1.15

Reconciliation of Normalized Financial Results (Non-IFRS Measures)

To supplement the Company's financial results presented in accordance with IFRS, goeasy uses certain non-IFRS measures indicated below, which exclude a gain on the sale of an investment and transaction advisory costs that are not routine and are non-recurring. The information presented below should be read in conjunction with the Company's interim condensed consolidated financial statements and MD&A. Management believes that presenting such normalized non-IFRS measures provides investors with a better perspective on the Company's ongoing operating performance and a more relevant comparison to prior period results.

(expressed in thousands of Canadian dollars except percentages and per share data)	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Operating income as stated	12,444	12,872	45,341	33,061
Divided by revenue	87,788	77,983	256,211	221,398
Operating margin	14.2%	16.5%	17.7%	14.9%
Operating income as stated	12,444	12,872	45,341	33,061
Other income ¹	-	-	(3,000)	-
Transaction advisory costs ²	5,308	-	6,382	-
Adjusted operating income	17,752	12,872	48,723	33,061
Divided by revenue	87,788	77,983	256,211	221,398
Adjusted operating margin	20.2%	16.5%	19.0%	14.9%
Net income as stated	4,932	6,256	22,707	16,196
Other income ¹	-	-	(3,000)	-
Transaction advisory costs ²	5,308	-	6,382	-
Tax impact of above items	(1,407)	-	(1,276)	-
After tax impact of above items	3,901	-	2,106	-
Adjusted net income	8,833	6,256	24,813	16,196
Weighted average number of diluted shares outstanding	13,854	14,029	13,919	14,029
Diluted earnings per share as stated	0.36	0.45	1.63	1.15
Per share impact of other income and transaction advisory costs	0.28	-	0.15	-
Adjusted earnings per share	0.64	0.45	1.78	1.15

¹ On June 30, 2016, the Company sold its minority interest in a provider of credit remediation products for cash proceeds of \$3.0 million. The shares were acquired by the Company during the start-up phase of this company and the net book value of those shares was nil.

² During the three and nine month periods ending September 30, 2016, the Company incurred transaction advisory costs related to a potential acquisition of \$5.3 million and \$6.4 million, respectively.