

goeasy Ltd. Reports Results for the First Quarter ended March 31, 2017
Earnings Per Share Growth of 40% to \$0.73 on Revenue Growth of 15%

Mississauga, May 2, 2017: *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 first quarter ended March 31, 2017.

Revenue for the first quarter of 2017 increased to \$94.7 million, an increase of 15.0% from \$82.3 million in the first quarter of 2016. Total same store sales growth in the quarter was 17.9%. The growth was driven by the expansion of *easyfinancial* and the related growth of its consumer loans receivable portfolio which reached \$387.1 million by quarter's end, up 27.3% from March 31, 2016. Loan book growth in the first quarter of 2017 was \$16.5 million compared with \$14.7 million in 2016.

Operating income for the three month period ended March 31, 2017 was \$20.4 million, an increase of \$5.2 million or 34.0% when compared to the normalized operating income in the first quarter of 2016. The 2016 results have been normalized to exclude \$0.5 million in transaction advisory costs. Net income for the quarter was \$10.3 million, up \$2.7 million or 35.1% from the normalized net income of \$7.6 million in the first quarter of 2016. Diluted earnings per share for the quarter was \$0.73, up \$0.21 or 40.4% from the reported diluted earnings per share of \$0.52 in the first quarter of 2016 and up \$0.19 or 35.2% from the normalized diluted earnings per share of \$0.54 in the first quarter of 2016.

"We are off to a great start in 2017 with both revenue and earnings expansion," said David Ingram, *goeasy's* President and Chief Executive Officer. "Our results for the first quarter of 2017 benefited from the implementation of enhanced collection strategies which led to our lowest annualized charge off rate for eight quarters. We also positioned ourselves for future growth and record earnings by increasing the penetration of our risk adjusted loans and preparing ourselves for both our launch into Quebec and the introduction of our *easyfinancial* loan products into our *easyhome* stores which occurred early in the second quarter of 2017."

Other highlights for the first quarter of 2017 include:

easyfinancial

- Revenue increased by 33.4% to \$60.0 million from \$45.0 million in the first quarter of 2016.
- Gross loan originations increased by 29.9% to \$106.1 million from \$81.7 million in the first quarter of 2016.
- Delinquency rates on the final Saturday of the quarter reduced to 5.2% from 6.6% on the final Saturday of the first quarter of 2016.
- Net charge offs as a percentage of the average gross consumer loans receivable on an annualized basis were 13.9% compared to 15.2% for the first quarter of 2016.

- Operating margin for the first quarter of 2017 improved from 34.9% to 40.9%.
- Cash generated from *easyfinancial* customer payments was \$99.9 million in the first quarter of 2017 compared to \$76.1 million in the first quarter of 2016.

easyhome

- Same store revenue declined 1.7%.
- Quarterly portfolio reduction of \$158,000 compared to \$427,000 in 2016 is the lowest since 2008 for the first quarter of the year which is historically the most challenged.
- The operating margin for *easyhome* for the first quarter of 2017 was 14.9%, down from the 17.1% reported for the same period in 2016.

Overall

- 28th consecutive quarter of same store sales growth.
- Operating margin was 21.6% for the quarter, up from the normalized operating margin of 18.5% in the first quarter of 2016.
- Operating income for the first quarter of 2017 was positively impacted by a \$1.5 million benefit associated with the transition of the Company's creditor life insurance product to a new provider and negatively impacted by the \$0.8 million provision against accounts receivable related to the Company's remaining U.S. franchise business. Together these two items increased the Company's diluted earnings per share by \$0.02 in the quarter.
- The Company's return on equity was 20.6% in the current quarter.

Balance Sheet and Liquidity

Total assets were \$526.5 million as at March 31, 2017, an increase of 20.4% from \$437.1 million as at March 31, 2016 and driven by the \$82.9 million growth in the gross consumer loans receivable portfolio. As at March 31, 2017, the Company had \$44.2 million in cash and committed facilities available to support future growth.

goeasy currently has a long-term funding structure that was originally put in place in 2014 and has been expanded and enhanced on several occasions since that time. The Company's current credit facilities consist of a \$280 million term loan provided by a syndicate of U.S.- based private debt funds and a \$20 million revolving operating facility provided by a large Canadian bank. Details of the terms of these facilities are disclosed in the company's financial filings. *goeasy* does not fund any of its consumer loans receivable or its operations from customer deposits.

The Company believes that its cash and committed facilities, coupled with the cash flows provided by operations, will be sufficient to fund the planned growth until the end of the third quarter of 2017.

Outlook

The market for non-prime lending in Canada, excluding mortgages, is approximately \$165 billion. The supply, however, is fragmented by both product and credit segments. It is satisfied by a large number of diverse lenders with each focusing on a relatively narrow range of products. Opportunities for growth exist for those lenders who are able to effectively offer multiple products spanning the non-prime consumer credit spectrum across various distribution channels.

David Ingram commented, "We are confident that our growth plans for *easyfinancial* will enable us to achieve our loan book target of \$475 - \$500 million by the end of 2017. The strategic growth initiatives that we announced earlier this year are on track, enabling us to capture an even greater share of the market opportunity that is available." Specific details on these growth initiatives are detailed as follows.

- In April of this year, to provide greater access to a physical location to its customers, *goeasy* began offering its *easyfinancial* loan products within its *easyhome* retail stores through an initial roll out to 33 of our *easyhome* stores. This roll out will continue during the second quarter of 2017 so that by the end of the second quarter 100 *easyhome* stores will be offering *easyfinancial* loans well as their traditional consumer leasing products.
- Also in April of this year, the Company expanded its *easyfinancial* footprint by launching *easyfinancial* in Quebec. The launch commenced with one branch in Laval as well as offering loans on-line. *easyfinancial* will open 10 additional branches in Quebec this year and reach 40 branches in this market by the end of 2019.
- Based on the success of its risk adjusted interest rate loans offering consumers larger dollar loans with lower interest rates, in the first quarter of 2017 the Company expanded the availability of this product from 10% to 20% of total originations.
- The Company is preparing for the launch of its new, secured lending product in the third quarter of 2017. These installment loans will further provide customers with access to larger loan sizes and lower interest rates while reducing the Company's risk as these loans will be secured by real estate. The reduced yield achieved from this type of product will be offset by lower credit losses and costs to administer.

These strategic growth initiatives will provide significant growth in the Company's loan book, revenues and profitability in the years to come. During the second quarter of this year, however, the drag associated with launching these new initiatives as well as incurring operating costs before the portfolio generates sufficient revenue will moderate operating income growth at *easyfinancial*. Additionally, the Company anticipates spending an incremental \$2.2 million in advertising expenditures in support of these initiatives in the second quarter of 2017 when compared to the first quarter of 2017.

Normal Course Issuer Bid and Dividend

On June 22, 2016, the Company renewed its Normal Course Issuer Bid (the “NCIB”) allowing it to purchase for cancellation up to 986,105 Common Shares over the following 12 months. Since commencement of this NCIB on June 27, 2016 until March 31, 2017, the Company repurchased and cancelled 94,500 of its common shares.

The Board of Directors has approved a quarterly dividend of \$0.18 per share payable on July 14, 2017 to the holders of common shares of record as at the close of business on June 30, 2017.

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 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.

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, 2016 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, 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.



TSX Symbol: GSY

goeasy Ltd.
33 City Centre Drive
Suite 510
Mississauga, Ontario
L5B 2N5 Canada
Tel: 905-272-2788
Fax: 905-272-9886

Press Release

May 2, 2017

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, 2017, the Company operated 209 *easyfinancial* locations (including 44 kiosks located within *easyhome* stores) and 174 *easyhome* stores (including 27 franchises and 2 consolidated franchise 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, *easyfinancial* and *easyhome*. *easyfinancial* is a non-prime consumer lender that bridges the gap between traditional financial institutions and costly payday lenders. It 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. *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. 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 200 *easyfinancial* and 170 *easyhome* 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.

For further information contact:

David Ingram
President and Chief Executive Officer
(905) 272-2788

-or-

Steve Goertz
Executive Vice President and Chief Financial Officer
(905) 272-2788

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

(Unaudited)

(expressed in thousands of Canadian dollars)

	As At March 31, 2017	As At December 31, 2016
ASSETS		
Cash	24,193	24,928
Amounts receivable	11,830	7,857
Prepaid expenses	4,034	1,909
Consumer loans receivable	371,662	354,499
Lease assets	54,835	55,288
Property and equipment	15,737	16,103
Deferred tax assets	7,985	6,856
Intangible assets	14,875	14,312
Goodwill	21,310	21,310
TOTAL ASSETS	526,461	503,062
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	31,581	31,879
Income taxes payable	6,160	2,874
Dividends payable	2,414	1,666
Deferred lease inducements	1,373	1,506
Unearned revenue	4,600	5,204
Provisions	484	608
Term loan	276,284	263,294
TOTAL LIABILITIES	322,896	307,031
Shareholders' equity		
Share capital	84,242	82,598
Contributed surplus	7,991	9,943
Accumulated other comprehensive income	866	880
Retained earnings	110,466	102,610
TOTAL SHAREHOLDERS' EQUITY	203,565	196,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	526,461	503,062

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

(Unaudited)

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

	Three Months Ended	
	March 31 , 2017	March 31 , 2016
REVENUE		
Interest income	38,602	31,555
Lease revenue	33,358	35,948
Other	22,753	14,822
	94,713	82,325
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION		
Salaries and benefits	23,822	22,457
Stock based compensation	1,066	1,007
Advertising and promotion	3,900	2,485
Bad debts	14,117	12,380
Occupancy	8,312	7,979
Other expenses	9,835	6,985
Transaction advisory costs	-	476
	61,052	53,769
DEPRECIATION AND AMORTIZATION		
Depreciation of lease assets	10,722	11,446
Depreciation of property and equipment	1,324	1,383
Amortization of intangible assets	1,202	974
	13,248	13,803
Total operating expenses	74,300	67,572
Operating income	20,413	14,753
Finance costs	5,825	4,821
Income before income taxes	14,588	9,932
Income tax expense (recovery)		
Current	5,447	3,653
Deferred	(1,129)	(973)
	4,318	2,680
Net income	10,270	7,252
Basic earnings per share	0.76	0.54
Diluted earnings per share	0.73	0.52

Segmented Reporting

(\$ in 000's except earnings per share)	Three Months Ended March 31, 2017			Total
	easyfinancial	easyhome	Corporate	
Revenue	60,021	34,692	-	94,713
Total operating expenses before depreciation and amortization	33,790	18,199	9,063	61,052
Depreciation and amortization	1,688	11,325	235	13,248
Operating income (loss)	24,543	5,168	(9,298)	20,413
Finance costs				5,825
Income before income taxes				14,588
Income taxes				4,318
Net Income for the period				10,270
Diluted earnings per share				0.73

(\$ in 000's except earnings per share)	Three Months Ended March 31, 2016			Total
	easyfinancial	easyhome	Corporate	
Revenue	45,003	37,322	-	82,325
Total operating expenses before depreciation and amortization and transaction advisory costs	27,760	18,835	6,698	53,293
Transaction advisory costs	-	-	476	476
Depreciation and amortization	1,545	12,096	162	13,803
Operating income (loss)	15,698	6,391	(7,336)	14,753
Finance costs				4,821
Income before income taxes				9,932
Income taxes				2,680
Net Income for the period				7,252
Diluted earnings per share				0.52