
**goeasy Ltd. Reports Results for the Fourth Quarter and Full Year
Record Revenues and Operating Income
Record Originations and Loan Book Growth
Dividend Increase of 25% to \$0.90 Per Share**

Mississauga, February 20, 2018: *goeasy* Ltd. (TSX: GSY), ("*goeasy*" or the "**Company**"), a leading full-service provider of goods and alternative financial services that provides everyday Canadians with a chance for a better tomorrow, today, announced its results for the fourth quarter and year ended December 31, 2017. The Company also announced a 25% increase in its annual dividend from \$0.72 to \$0.90 per share.

Results for the Fourth Quarter Ended December 31, 2017

Revenue for the fourth quarter of 2017 was \$108.6 million, an increase of 18.9% from \$91.3 million in the fourth quarter of 2016. The growth was driven by the expansion of easyfinancial and the related growth of its consumer loans receivable portfolio which reached \$526.5 million by quarter's end, up 42.1% from December 31, 2016.

During the quarter, the Company generated record levels of loan originations and loan book growth on the back of its second largest quarter ever of net customer gain. Loan originations in the quarter reached a record \$176.4 million, an increase of 50.1% compared with the fourth quarter of 2016. The record growth of the loan book in the quarter was \$53.5 million compared to \$26.8 million in the fourth quarter of 2016, an increase of 99.5%. The strong growth was fueled by the increased penetration of risk adjusted rate loans to more credit worthy borrowers, the Company's expansion into Quebec and the introduction of the Company's new secured loan product. Additionally, strong growth in the quarter was supported by improved performance of the company's digital marketing efforts and an increased investment in advertising, which increased by \$2.0 million or 48%.

Operating income for the three-month period ended December 31, 2017 was \$24.5 million, an increase of \$7.3 million or 42.4% when compared to operating income in the fourth quarter of 2016. Net income for the quarter, which included an \$8.2 million before tax charge associated with the refinancing completed on November 1, 2017, was \$5.4 million. Excluding this charge, adjusted net income was \$11.4 million, up \$3.1 million or 36.6% from the net income of \$8.3 million in the fourth quarter of 2016. Diluted earnings per share for the quarter was \$0.38. Adjusted diluted earnings per share was \$0.79 per share, an increase of \$0.19 or 31.7% from diluted earnings per share of \$0.60 in the fourth quarter of 2016.

"The fourth quarter rounded out a record year for our Company which resulted in financial success and the accomplishment of many of our strategic goals," said David Ingram, *goeasy*'s President and Chief Executive Officer. "Consumer demand remains elevated and our product suite is clearly matching the right size of loan with the right interest rate as our overall credit

performance continues to improve. I am particularly pleased that during the quarter we saw an improvement in charge-off rates from 15.8% to 12.8%.”

Other highlights for the fourth quarter of 2017 include:

easyfinancial

- Revenue increased by 33.2% to \$74.6 million from \$56.0 million in the fourth quarter of 2016.
- Delinquency rates on the final Saturday of the quarter improved to 5.3% from 5.8% on the final Saturday of 2016.
- Operating margin for the fourth quarter of 2017 increased to 38.4% from 34.9% in the comparable period of 2016.
- Cash generated from easyfinancial customer payments was \$127.1 million in the fourth quarter of 2017 compared to \$94.0 million in the fourth quarter of 2016.
- easyfinancial now has the highest consumer awareness in Canada for non-prime installment lending.

easyhome

- Same store revenue increased 0.1%.
- The operating margin for easyhome for the fourth quarter of 2017 was 14.3%, down from the 15.6% reported for the same period in 2016.

Overall

- 31st consecutive quarter of same store sales growth.
- 66th consecutive quarter of positive net income.
- Operating margin was 22.5% for the quarter, up from 18.8% in the fourth quarter of 2016.
- The Company’s normalized return on equity was 20.1% in the current quarter, up from 17.4% for the fourth quarter of 2016.

Full Year Results

For the full year, *goeasy* recorded revenues of \$405.2 million, up 16.6% compared with \$347.5 million in 2016.

Operating income for 2017 was \$87.4 million, net income was \$36.1 million and diluted earnings per share was \$2.56. The 2017 results included an \$8.2 million before tax charge associated with the refinancing completed on November 1, 2017. The 2016 results included a \$3.0 million gain on the sale of an investment and \$6.4 million in transaction advisory costs that were not routine and non-recurring. Excluding these items, adjusted net income for 2017 was \$42.2 million compared with \$33.2 million in 2016, an increase of \$9.0 million or 27.2%; and adjusted diluted earnings per share for 2017 was \$2.97 compared with \$2.38 in 2016, an increase of \$0.59 or 24.8%.

In addition to the strong financial performance during 2017, the Company also made significant progress on its strategic initiatives:

- *easyfinancial* expanded into the province of Quebec. At year end, the Quebec loan portfolio exceeded \$23 million, significantly ahead of initial expectations.
- Beginning in the second quarter of 2017, the Company introduced its *easyfinancial* unsecured loan product into almost 100 of its *easyhome* leasing stores.
- During the fourth quarter of 2017, *easyfinancial* launched a new secured lending product to qualifying borrowers who own and reside within their home and who are looking for lower cost forms of financing.
- Also during the fourth quarter of 2017, the Company completed a recapitalization of the Company's balance sheet. The new debt structure provided by the North American capital markets and a group of national and international banks provides *goeasy* with a capital structure to fund its growth for the foreseeable future.

Balance Sheet and Liquidity

Total assets were \$749.6 million as at December 31, 2017, an increase of 49.0% from \$503.1 million as at December 31, 2016 and driven by the \$156.0 million growth in the gross consumer loans receivable portfolio.

As at December 31, 2017, the Company had \$109.4 million in cash on hand and an additional \$110.0 million from committed facilities available to support future growth.

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 through to the end of 2018 and into 2019.

Outlook

goeasy's strategic focus continues to be driven by the following strategic imperatives:

- Enhance its product offering
- Evolve its delivery channels
- Execute with efficiency and effectiveness
- Deliver a best-in-class customer experience

The Company has previously provided 3 year targets for 2018 through 2020; that is:

	2018	2019	2020
New easyfinancial locations	20 - 30 openings	10 - 20 openings	10 - 20 Openings
Gross consumer loans receivable portfolio at year end	\$700 - \$750 million	\$875 - \$950 million	\$1.0 - \$1.1 billion
easyfinancial total revenue yield	54% - 56%	49% - 51%	46% - 48%
Net charge-offs as a percentage of average gross consumer loans receivable	12% - 14%	11% - 13%	10% - 12%
easyfinancial operating margin	38% - 40%	40%+	40%+
Total revenue growth	16% - 18%	14% - 16%	10% - 12%
Return on Equity	18% - 20%	20%+	20%+

The achievement of these targets by the Company, however, is predicated on a number of factors, including the pace of expansion of easyfinancial.

"The significant progress made by *goeasy* over the past few years has positioned the Company to be the leading non-prime lender for everyday Canadians. Since 2001 on a normalized basis we have achieved compound annual growth rates of 12% for revenue and 29% for earnings per share. We remain unwavering in our commitment to provide our customers with the opportunity to achieve better financial outcomes and the ability to graduate towards prime credit," said Mr. Ingram. "We are better prepared than ever before to capture a greater share of the \$165 billion non-prime consumer credit market. The previously announced debt financing provides us with both sufficient capital to fund our growth over the next several quarters and a long-term structure that will enable further access to debt capital as required". Mr. Ingram concluded, "My thanks to our entire team who continue to work tirelessly to meet and exceed the needs of our customers who are underserved by traditional financial organizations. It is clear now more than ever, that *goeasy* is well organized for continued success."

Dividend Increase

Based on its 2017 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 \$0.72 per share to \$0.90 per share, an increase of 25%. As such, the Board of Directors has approved a quarterly dividend of \$0.225 per share payable on April 13, 2018 to the holders of common shares of record as at the close of business on March 29, 2018.

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.

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, 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 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-



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Press Release

February 20, 2018

looking statements whether as a result of new information, future events or otherwise, unless required by law.

About goeasy

goeasy Ltd. is a leading full-service provider of goods and alternative financial services that provides everyday Canadians with a chance for a better tomorrow, 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 and through its online and mobile eCommerce enabled platforms.

goeasy Ltd.'s common shares are listed for trading 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. For more information, visit www.goeasy.com.

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goeasy Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in thousands of Canadian dollars)

	As At December 31, 2017	As At December 31, 2016
ASSETS		
Cash	109,370	24,928
Amounts receivable	14,422	7,857
Prepaid expenses	3,545	1,909
Consumer loans receivable	513,425	354,499
Lease assets	54,318	55,288
Property and equipment	15,941	16,103
Deferred tax assets	2,121	6,856
Intangible assets	15,163	14,312
Goodwill	21,310	21,310
TOTAL ASSETS	749,615	503,062
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	42,706	31,879
Income taxes payable	9,445	2,874
Dividends payable	2,426	1,666
Deferred lease inducements	1,294	1,506
Unearned revenue	4,819	5,204
Provisions	365	608
Term loan	-	263,294
Convertible debentures	47,985	-
Notes payable	401,193	-
Derivative financial instruments	11,138	-
TOTAL LIABILITIES	521,371	307,031
Shareholders' equity		
Share capital	85,874	82,598
Contributed surplus	15,305	9,943
Accumulated other comprehensive (loss) income	141	880
Retained earnings	126,924	102,610
TOTAL SHAREHOLDERS' EQUITY	228,244	196,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	749,615	503,062

goeasy Ltd.

CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended		Year Ended	
	December 31 , 2017	December 31 , 2016	December 31, 2017	December 31, 2016
REVENUE				
Interest income	49,748	37,477	175,812	138,782
Lease revenue	31,918	33,832	130,527	137,849
Other	26,920	19,985	98,885	70,874
	108,586	91,294	405,224	347,505
Other income	-	-	-	3,000
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits	26,696	23,014	102,666	91,557
Stock-based compensation	1,527	1,190	5,623	4,323
Advertising and promotion	6,356	4,242	20,150	13,457
Bad debts	18,807	15,936	67,826	55,668
Occupancy	8,132	8,324	33,100	32,867
Other expenses	9,166	7,996	36,258	29,398
Transaction advisory costs	-	-	-	6,382
	70,684	60,702	265,623	233,652
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	10,240	10,789	41,221	44,230
Depreciation of property and equipment	1,658	1,501	5,702	5,902
Amortization of intangible assets	1,554	1,127	5,285	4,205
	13,452	13,417	52,208	54,337
Total operating expenses	84,136	74,119	317,831	287,989
Operating income	24,450	17,175	87,393	62,516
FINANCE COSTS				
Interest expense and amortisation of deferred financing charges	8,774	5,702	28,642	21,048
Refinancing cost	8,198	-	8,198	-
	16,972	5,702	36,840	21,048
Income before income taxes	7,478	11,473	50,553	41,468
Income tax expense (recovery)				
Current	1,779	2,045	10,854	11,362
Deferred	333	1,086	3,567	(943)
	2,112	3,131	14,421	10,419
Net income	5,366	8,342	36,132	31,049
Basic earnings per share	0.39	0.62	2.67	2.29
Diluted earnings per share	0.38	0.60	2.56	2.23

Segmented Reporting

	Three Months Ended December 31, 2017			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	74,573	34,013	-	108,586
Total operating expenses before depreciation and amortization	43,891	18,194	8,599	70,684
Depreciation and amortization	2,068	10,955	429	13,452
Operating income (loss)	28,614	4,864	(9,028)	24,450
Finance costs				
Interest expense and amortization of deferred financing charges				8,774
Refinancing cost				8,198
				16,972
Income before income taxes				7,478
Income taxes				2,112
Net Income				5,366
Diluted earnings per share				0.38

	Three Months Ended December 31, 2016			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	55,999	35,295	-	91,294
Total operating expenses before depreciation and amortization	34,772	18,244	7,686	60,702
Depreciation and amortization	1,675	11,558	184	13,417
Operating income (loss)	19,552	5,493	(7,870)	17,175
Finance costs				
Interest expense and amortization of deferred financing charges				5,702
				5,702
Income before income taxes				11,473
Income taxes				3,131
Net Income				8,342
Diluted earnings per share				0.60

	Year Ended December 31, 2017			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	267,964	137,260	-	405,224
Other Income	-	-	-	-
Total operating expenses before depreciation and amortization	158,055	72,570	34,998	265,623
Depreciation and amortization	7,255	43,808	1,145	52,208
Operating income (loss)	102,654	20,882	(36,143)	87,393
Finance costs				
Interest expense and amortization of deferred financing charges				28,642
Refinancing cost				8,198
				36,840
Income before income taxes				50,553
Income taxes				14,421
Net Income				36,132
Diluted earnings per share				2.56

	Year Ended December 31, 2016			
(\$ in 000's except earnings per share)	easyfinancial	easyhome	Corporate	Total
Revenue	204,076	143,429	-	347,505
Other Income	-	-	3,000	3,000
Total operating expenses before depreciation and amortization and transaction advisory costs	122,843	74,708	29,719	227,270
Transaction advisory costs	-	-	6,382	6,382
Depreciation and amortization	6,479	47,184	674	54,337
Operating income (loss)	74,754	21,537	(33,775)	62,516
Finance costs				
Interest expense and amortization of deferred financing charges				21,048
				21,048
Income before income taxes				41,468
Income taxes				10,419
Net Income				31,049
Diluted earnings per share				2.23