



Lending & Credit | Mississauga, ON | Founded: 1990 | Employees: 1,850 | www.goeasy.com

Phone: 1-866-327-9597

Wikipedia: <https://en.wikipedia.org/wiki/Goeasy>

Bloomberg: <https://www.bloomberg.com/quote/GSY:CN>

LinkedIn: <https://www.linkedin.com/company/easyfinancial-services/?originalSubdomain=ca>

COMPANY OVERVIEW

goeasy Ltd. is a Canadian alternative financial services/goods company based in Mississauga, Ontario. The company operates through two business units: easyhome, that offers customers brand name household furniture, appliances and electronics through flexible leasing agreements and easyfinancial, a non-prime consumer lender that started in 2006 with a goal of bridging the gap between traditional financial institutions and costly payday lenders. This tearsheet will focus on the latter. easyfinancial provides loans up to \$25,000 with rates starting at 19.99 per cent. They operate through an omni-channel business model that allows customers to conveniently transact with them through their national branch network of over 350 locations across all provinces in Canada, online, or through their merchant finance point-of-sale platform.¹²

Senior management

Jason Mullins: President and Chief Executive Officer (2019 - Present). Previously: Chief Operating Officer of goeasy Ltd. (2010-2018) Vice President, Sales & Operations, Mogo (fintech) (2008-2010); Senior/site, Operations manager, Bill Gosling Outsourcing (2005-2008); National Manager, Secured Recovery, CIBC (2004-2005). Education: MBA, Business Administration (2011-2013), Ivey Business School. Commerce (2001-2003), Ryerson University.

David Yeilding: Interim CFO and Senior Vice President (2010-Present). Previously: Vice President Finance, Fidelity Investments (2006-2009); Director, Transaction Services, PwC (1998-2006). Education: MBA, Finance (1993-1995), McMaster University. BA, Economics (1989-1993), Queen's University.

Andrea Fiederer: CMO and Executive Vice President (2015-Present). Previously: Director, Customer Marketing, Mobilicity (2011-2015); Director of Marketing, XM Canada (2007-2011). Education: MBA, Marketing/Strategic Management (2004-2005), Schulich School of Business. Bcomm, Finance/Strategic Management (1997-2000), McGill University.

Jason Appel: CRO and Executive Vice President (2012-Present). Previously: Senior Vice President, Decision Management, Citigroup (2008-2012); Senior Director, Account Management, mortgages and lending, CIBC (2005-2006). Education: MBA (1991-1993), York University Schulich School of Business. BSA, History (1987-1990), University of Toronto.

Shadi Khatib: CIO and Senior Vice President (2016-Present). Previously: General Manager, System Micro Technology & Consulting Group (2014-2016); General Manager & Vice President, McKesson Canada (2012-2014). BComm, Commerce and Information Technology (1998-2002), Ryerson University.

David Cooper: Senior Vice President HR (2015 – Present) Previously: Director of Human Resources Moneris Solution (2007-2015); HR Associate CIBC (2005-2007); Education: BA Employee Relations (1999-2003), University of Toronto.

David Ingram: Executive Chairman (2019-Present). Previously: CEO and President of goeasy Ltd. (2001 – 2018), Head of Strategic Business Unit, Woolworths, (1999-2000); Divisional Vice President, Thorn/Rent a Centre (1989-1998). Education: No undergraduate degree. also, Sabrina Anzini (Vice President, Legal); Steven Poole (Senior Vice President, Operations and Merchandising); Shane Pennell, (Senior Vice President, Operations and Shared Services)

History

goeasy (TSX:GSY), was initially founded in 1990 as RTO enterprises and focused on the rent-to-own furniture business.³ In 2001, David Ingram was appointed as CEO and returned the company to profitability, later converting 6 unique brands under one consolidated banner, easyhome Ltd. In 2006, the company recognized the need to explore new growth opportunities as market dynamics were evolving in the lease-to-own segment and created easyfinancial, the Company's financial services arm that provides consumer installment loans to non-prime Canadians that have limited access to bank credit.⁴ Since then, easyfinancial has been the company's growth engine increasing their maximum loan size to \$25,000, creating a proprietary centralized credit adjudication process, introducing secured lending, broadening into the Quebec market, and introducing the first full credit spectrum point-of-sale financing solution. In 2017, had served over 250,000 customer and exceeded \$2 billion in loan originations.⁵

¹ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-financialreports>

² <https://www.easyfinancial.com/how-it-works>

³ <http://www.furnituretoday.com/article/460254-rto-consolidating-under-easyhome>

⁴ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-ef-overview>

⁵ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-history>

Key corporate developments

Press releases: <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-news&nyo=0>

03-07-16 <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-newsArticle&ID=2146431>

11-02-16 <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-newsArticle&ID=2218902>

2013: transactional websites launched. <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-history>

Funding

The goeasy stock has showed a steady growth for the last five years. goeasy has a market capitalization of \$740.184 million and has 13,674,191 common shares outstanding (09/27/18) trading on the Toronto Stock Exchange.⁶ As of May 35th 2017, goeasy announced a \$50 million offering deal of 5.75% convertible unsecured subordinated debentures. The intention for the capital raise was chiefly to support strategic investments and growth approaches for easyfinancial.⁷

BUSINESS HIGHLIGHTS

Strategy

easyfinancial's loans occupy a critical niche in the marketplace, bridging the gap between traditional financial institutions and costly payday lenders. Historically, the consumer demand for these loans was satisfied by the consumer-lending arms of several large, international financial institutions. Since 2009, many of the largest participants in this market have either closed their operations or dramatically reduced their size due to changes in banking regulations, leaving easyfinancial as the only Canadian owned national participant with a broad integrated suite of financial products and services designed to service non-prime Canadians.⁸ The estimated market size for non-prime consumer credit in Canada is \$186B with approximately 7M Canadians with a credit score of 699 or less.

Over the years, goeasy has gained experience in serving over one million customers and has developed an unparalleled understanding of their needs. Over 60% of easyfinancial customers have been denied credit from a bank or traditional lender, and easyfinancial offers the 'yes' those customers need and deserve. The easyfinancial customer is very much the 'average' Canadian but with almost half the amount of debt, with a debt-to-income ratio of about 95% vs. the average Canadian at 172%.

Products/pricing

1. **Unsecured Personal Loans:** Direct loans without collateral and higher interest rates. Loan amount ranges from \$500-\$15,000 with an interest rate of 29.99% and an APR between 19.99% to 46.96% on a 9-60 month term basis.⁹
2. **Secured Personal Loans:** Service to get a loan at a discount, using the home as a collateral. Loan amount ranges from \$15,000-\$25,000, with rates starting at 19.99%, on a 72-120 month term basis.¹⁰
3. **Secured Saving Loans:** Service to attain a better credit rating. Funds are provided by a third party, Refresh Capital Corp. Term varies from 36 to 60 months. APR is between 7.26% - 29.95% (depending on loan size). There is a setup fee that ranges from \$200 - \$400.¹¹
4. **Debt Consolidation:** Combining smaller loans through a debt consolidation. Same cost structure as unsecured personal loans.¹²

Technology

The Company has made significant investments in technology over the past several years to provide easyfinancial with a scalable platform on which to support significant future growth and to allow new delivery channels to be developed. Investments include a proprietary loan application management system to process applications, transactional ecommerce websites, and Canada's first full credit spectrum point-of-sale financing solution. The company has also invested in building proprietary customer scoring models built using machine learning and advanced analytical tools improve the accuracy of predicting default risk for the non-prime customer.¹³

⁶ <https://finance.yahoo.com/quote/GSY.TO?p=GSY.TO>

⁷ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-newsArticle&ID=2276779>

⁸ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-ef-overview>

⁹ <https://www.easyfinancial.com/how-it-works>

¹⁰ <https://www.easyfinancial.com/application>

¹¹ <https://refreshfinancial.ca/credit-rebuild/?referid=EFI&webform=Banner>

¹² <https://www.easyfinancial.com/debt-consolidation>

¹³ goeasy annual report

Distribution

Easyfinancial serve customers through “branches” of “kiosks”, call centres and online.¹⁴

Marketing

With a focus on providing its customers with improved financial outcomes and a better financial future, goeasy’s marketing efforts have centered around building an emotional connection with its customers. Through the use of mass media including TV and radio, as well as digital marketing activities, easyfinancial’s integrated marketing approach has been critical in driving brand awareness and new customer acquisition for the company.

Competitors

With both strong retail branches, as well as online activity, easyfinancial acts as a “gap-filler” between payday (fintech and more conservative) lenders companies and more traditional financial institutions, such as banks both in terms of product/pricing strategy and segment targeting.¹⁵ Some close competitors are however:

1. [Mogo](#): Mogo provides personal finance management tools for consumers.
2. [Fairstone](#): Formerly known as CitiFinancial Canada, Fairstone offers personal loans, mortgages, debt consolidation and retail financing through their website.

¹⁴ <https://www.theglobeandmail.com/globe-investor/investment-ideas/goeasy-beats-banks-by-tapping-borrowers-they-turn-away/article32851257>

¹⁵ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=iroI-newsArticle&ID=2164002>