



Non-prime lender | Mississauga, ON | Founded: 2006 | Employees: 201-500 (Goeasy: >1,850) |

<https://www.easyfinancial.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 areas. Easyhome, that sells goods (furniture, electronics etc) on a rent-to-own basis online and in stores, and easyfinancial which offers non-mortgage, subprime consumer loans. This tearsheet will focus on the latter. Easyfinancial can offer unsecured personal loans, secured personal loans and secured saving loans within minutes through an online-application as well as in retail shops (kiosks) across all provinces in Canada.^{1 2}

Senior management

David Ingram: CEO (2001-Present). Previously: Head of Strategic Business Unit, Woolworths, (1999-2000); Divisional Vice President, Thorn/Rent a Centre (1989-1998). Education: No undergraduate degree.

Jason Mullins: COO and President (2010-Present). Previously: 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 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 Senior Vice President (2016-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.

+ Sabrina Anzini (Vice President, Legal); Steven Poole (Senior Vice President, Operations and Merchandising); Shane Pennell, (Senior Vice President, Operations and Shared Services)

History

Goeasy, previously known as RTO enterprises was founded in 1990 and the initial services included furniture leasing.³ With Ingram as a CEO, the company returned to profitability and expanded the strategy as a lending company. The launch of easyfinancial in 2006, resulted in quick growth. Ingram and his team wanted to bridge the gap between traditional banks and highly priced payday lenders.⁴ The company gradually increased its maximum loan size to customers and by 2017, easyfinancial exceeded \$2 billion in loan originations.⁵

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,

¹ <https://www.theglobeandmail.com/globe-investor/investment-ideas/goeasy-beats-banks-by-tapping-borrowers-they-turn-away/article32851257/>

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>

⁶ <https://finance.yahoo.com/quote/GSY.TO?p=GSY.TO> <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-shareholder>

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

Shadi Khatib has had the overall responsibility for the forward-thinking technologies that the company wants to adopt. The main strategy is to attain differentiation in the market by digitalisation of processes and product development.⁸

Easyfinancial targets customers with limited access to credit from banks.⁹ Easyfinancial positions itself as an actor that helps the average Canadian to build a stable, long-term personal finance. With economies of scale and longer loan amortizations due to its capital deploying efficiency, Easyfinancial can offer lower rates than “payday” lenders.¹⁰ Through an omni-channel, easyfinancial customers can apply for loans in kiosks, through call centres and online.¹¹

Products/pricing

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.¹²

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.¹³

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 - \$400.¹⁴

Debt Consolidation: Combining smaller loans through a debt consolidation. Same cost structure as unsecured personal loans.¹⁵

Technology

The quick online application process is driven by leading-edge data modeling. By analyzing \$2billion in origination data, easyfinancial data systems can use analytical techniques such as credit adjudication and underwriting in data systems when a customer applies for a loan.¹⁶

Distribution

Easyfinancial serve customers through “branches” of “kiosks”, call centres and online.¹⁷

Marketing

Historically, easyfinancial have focused on traditional media. The company however emphasises the value of digital marketing (social media, search engine optimization) and has invested in that field the last few years.¹⁸

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.¹⁹ Some close competitors are however:

1. Ferratum: Ferratum offers express personal loans, and targets customers who want fast credit.
<https://www.ferratum.ca/>
2. Fairstone: Formerly known as CitiFinancial Canada, Fairstone offers personal loans, mortgages, debt consolidation and retail financing through their website. <https://www.fairstonecanada.ca/home/>

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

⁸ <https://www.linkedin.com/in/khatibshadi/?originalSubdomain=ca>

⁹ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-homeprofile>

¹⁰ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-ef-overview> <http://strategyonline.ca/2018/05/25/easy-financial-looks-to-its-customers-future/>

¹¹ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-homeprofile>

¹² <https://www.easyfinancial.com/how-it-works>

¹³ <https://www.easyfinancial.com/application>

¹⁴ <https://refreshfinancial.ca/credit-rebuild/?referid=EFI&webform=Banner>

¹⁵ <https://www.easyfinancial.com/debt-consolidation>

¹⁶ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-homeprofile>

¹⁷ <https://www.theglobeandmail.com/globe-investor/investment-ideas/goeasy-beats-banks-by-tapping-borrowers-they-turn-away/article32851257/>

¹⁸ file:///Users/ebbasjostrand/Downloads/EH_2014AIF_FINAL.pdf

¹⁹ <http://investors.goeasy.com/phoenix.zhtml?c=83047&p=irol-newsArticle&ID=2164002>