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OTC PINK Symbol: QCCO

NEWS RELEASE

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QC Holdings, Inc. Reports First Quarter 2019 Results

Credit Facility Increased to \$30 Million

OVERLAND PARK, KS (June 18, 2019) – QC Holdings, Inc. (OTC PINK: QCCO) reported net income of \$210,000 and revenues of \$26.5 million for the quarter ended March 31, 2019. In prior year's first quarter, the company reported a net loss of \$114,000 and revenues of \$24.1 million.

The 10% improvement in revenues during first quarter 2019 compared to 2018 was primarily attributable to an acceleration of installment loan revenues as customers migrated from single-pay products.

Loan loss rates increased during the first quarter 2019 compared to 2018, largely due to an increase in installment loan originations, which have historically averaged higher loss rates than the single-pay product.

On June 6, 2019, QCHI amended its existing credit facility to increase the maximum availability from \$12 million to \$30 million. The amount available to borrow fluctuates based on the underlying eligible loans receivable used to secure the facility. QCHI amended the facility, which expires on June 30, 2022, to provide capital for growth in installment loans receivable, to complete the refresh of its branch network and to finalize the implementation of a new point of sale system.

About QC Holdings, Inc.

Headquartered in Lenexa, Kansas, QC Holdings, Inc. is a leading provider of consumer loans in the United States and Canada. In the United States, QCHI offers various

products, including single-pay, installment and title loans, check cashing, debit cards and money transfer services, through 249 branches in 13 states at May 31, 2019. In Canada, the company, through its subsidiary Direct Credit Holdings Inc., is engaged in short-term, consumer internet lending in various provinces.

Forward Looking Statement Disclaimer: This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the company's current expectations and are subject to many risks and uncertainties, which could cause actual results to differ materially from those forward-looking statements. These risks include (1) changes in laws or regulations or governmental interpretations of existing laws and regulations governing consumer protection or short-term lending practices, (2) uncertainties relating to the interpretation, application and promulgation of regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act, including the impact of announced regulations by the Consumer Financial Protection Bureau (CFPB), (3) ballot referendum initiatives by industry opponents to cap the rates and fees that can be charged to customers, (4) uncertainties related to the examination process by the CFPB and indirect rulemaking through the examination process, (5) litigation or regulatory action directed towards us or the short-term consumer loan industry, (6) volatility in our earnings, primarily as a result of fluctuations in loan loss experience and closures of branches, (7) risks associated with our dependence on cash management banking services and the Automated Clearing House for loan collections, (8) negative media reports and public perception of the short-term consumer loan industry and the impact on federal and state legislatures and federal and state regulators, (9) changes in our key management personnel, (10) risks associated with owning and managing non-U.S. businesses, and (11) other various risks. QC will not update any forward-looking statements made in this press release to reflect future events or developments.

(Financial and Statistical Information Follows)

QC Holdings, Inc.
Consolidated Condensed Statements of Operations
(in thousands, except per share amounts)
(Unaudited)

	<u>Quarter Ended</u>	
	<u>March 31,</u>	
	<u>2018</u>	<u>2019</u>
Revenues		
Consumer loan interest and fees	\$ 21,808	\$ 24,183
Other	<u>2,293</u>	<u>2,308</u>
Total revenues	24,101	26,491
Provision for losses	5,223	6,306
Operating expenses	<u>12,700</u>	<u>13,752</u>
Gross profit	6,178	6,433
Corporate and Regional expenses	5,451	5,415
Other expense, net	<u>789</u>	<u>805</u>
Income (loss) before income taxes	(62)	213
Provision for income taxes	<u>52</u>	<u>3</u>
Net income (loss)	<u>\$ (114)</u>	<u>\$ 210</u>
Income (loss) per share:		
<i>Basic</i>		
Net income (loss)	<u>\$ (0.01)</u>	<u>\$ 0.01</u>
<i>Diluted</i>		
Net income (loss)	<u>\$ (0.01)</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding:		
Basic	17,333	17,333
Diluted	17,333	17,333

QC Holdings, Inc.
Consolidated Condensed Balance Sheets
(in thousands)

	December 31, <u>2018</u>	March 31, <u>2019</u> <i>(Unaudited)</i>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,507	\$ 11,325
Restricted cash	1,911	1,416
Loans receivable, less allowance for losses of \$8,116 at December 31, 2018 and \$6,669 at March 31, 2019	36,241	31,191
Other current assets	<u>2,846</u>	<u>2,883</u>
Total current assets	53,505	46,815
Non-current loans receivable, less allowance for losses of \$50 at December 31, 2018 and \$270 at March 31, 2019	290	1,068
Property and equipment, net	10,075	11,992
Right-of-use asset, net	-	22,973
Other assets, net	<u>6,453</u>	<u>6,350</u>
Total assets	<u>\$ 70,323</u>	<u>\$ 89,198</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other current liabilities	\$ 8,940	\$ 7,533
Lease liability	-	4,791
Debt due within one year	<u>7,980</u>	<u>8,059</u>
Total current liabilities	16,920	20,383
Long-term debt, less current portion	11,250	8,250
Lease liability	-	18,825
Non-current liabilities	<u>4,195</u>	<u>3,578</u>
Total liabilities	32,365	51,036
Stockholders' equity	<u>37,958</u>	<u>38,162</u>
Total liabilities and stockholders' equity	<u>\$ 70,323</u>	<u>\$ 89,198</u>

QC Holdings, Inc.
Consolidated Condensed Statements of Cash Flows
(in thousands)
(Unaudited)

	Quarter Ended March 31, <u>2018</u>	Quarter Ended March 31, <u>2019</u>
Operating activities:		
Net income (loss)	\$ (114)	\$ 210
Adjustments to reconcile net income (loss) to net cash	6,152	7,124
Changes in assets and liabilities	<u>235</u>	<u>(579)</u>
Net operating	<u>6,273</u>	<u>6,755</u>
Investing activities:		
Loan activity, net	825	(2,603)
Capital expenditures	(861)	(2,864)
Other	<u>-</u>	<u>-</u>
Net investing	<u>(36)</u>	<u>(5,467)</u>
Financing activities:		
Indebtedness activity, net	(500)	(3,000)
Other	<u>-</u>	<u>-</u>
Net financing	<u>(500)</u>	<u>(3,000)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(15)</u>	<u>35</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	5,722	(1,677)
Cash, cash equivalents and restricted cash at beginning of year	<u>18,077</u>	<u>14,418</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 23,799</u>	<u>\$ 12,741</u>