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OTC PINK Symbol: QCCO

## **NEWS RELEASE**

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### **QC Holdings, Inc. Reports First Quarter 2018 Results**

OVERLAND PARK, KS (June 6, 2018) – QC Holdings, Inc. (OTC PINK: QCCO) reported a net loss of \$114,000 and revenues of \$24.1 million for the quarter ended March 31, 2018. Net income totaled \$365,000 and revenues totaled \$23.4 million for the quarter ended March 31, 2017.

The 3% improvement in revenues during first quarter 2018 compared to 2017 was primarily attributable to an increase in new and returning customers, as well as to an uptick in installment loan activity.

Loan loss rates increased during first quarter 2018 compared to 2017. This increase was primarily attributable to approximately \$1.0 million in first quarter 2017 cash recoveries from the business-to-business portfolio and from branches that were closed at the end of 2016.

#### **About QC Holdings, Inc.**

Headquartered in Overland Park, Kansas, QC Holdings, Inc. is a leading provider of consumer loans in the United States and Canada. In the United States, QC offers various products, including single-pay, installment and title loans, check cashing, debit cards and money transfer services, through 255 branches in 14 states at March 31, 2018. 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>2017</u>	<u>2018</u>
<b>Revenues</b>		
Consumer loan interest and fees	\$ 21,157	\$ 21,808
Other	<u>2,261</u>	<u>2,293</u>
Total revenues	23,418	24,101
Provision for losses	3,270	5,223
Operating expenses	<u>12,554</u>	<u>12,346</u>
<b>Gross profit</b>	7,594	6,532
Corporate and Regional expenses	6,269	5,805
Other expense, net	<u>819</u>	<u>789</u>
Income (loss) before income taxes	506	(62)
Provision for income taxes	<u>141</u>	<u>52</u>
<b>Net income (loss)</b>	<u>\$ 365</u>	<u>\$ (114)</u>
<b>Income (loss) per share:</b>		
<i>Basic</i>		
Net income (loss)	<u>\$ 0.02</u>	<u>\$ (0.01)</u>
<i>Diluted</i>		
Net income (loss)	<u>\$ 0.02</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding:</b>		
Basic	17,333	17,333
Diluted	17,333	17,333

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

	<b>December 31,</b> <b><u>2017</u></b>	<b>March 31,</b> <b><u>2018</u></b> <i>(Unaudited)</i>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 16,198	\$ 21,926
Restricted cash	1,879	1,873
Loans receivable, less allowance for losses of \$7,755 at December 31, 2017 and \$7,124 at March 31, 2018	32,921	26,614
Other current assets	<u>3,748</u>	<u>3,619</u>
Total current assets	54,746	54,032
Non-current loans receivable, less allowance for losses of \$83 at December 31, 2017 and \$60 at March 31, 2018	258	202
Property and equipment, net	8,241	8,416
Other assets, net	<u>7,313</u>	<u>7,169</u>
Total assets	<b><u>\$ 70,558</u></b>	<b><u>\$ 69,819</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and other current liabilities	\$ 9,355	\$ 9,249
Revolving credit facility	2,500	2,495
Subordinated debt	<u>8,168</u>	<u>7,744</u>
Total current liabilities	20,023	19,488
Non-current liabilities	<u>4,471</u>	<u>4,402</u>
Total liabilities	24,494	23,890
Stockholders' equity	<u>46,064</u>	<u>45,929</u>
Total liabilities and stockholders' equity	<b><u>\$ 70,558</u></b>	<b><u>\$ 69,819</u></b>

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

	<b>Quarter Ended</b> <b><u>March 31,</u></b> <b><u>2017</u></b>	<b>Quarter Ended</b> <b><u>March 31,</u></b> <b><u>2018</u></b>
Operating activities:		
Net income (loss)	\$ 365	\$ (114)
Adjustments to reconcile net income (loss) to net cash	4,202	6,152
Changes in assets and liabilities	<u>5,441</u>	<u>1,060</u>
Net operating	<u>10,008</u>	<u>7,098</u>
Investing activities:		
Capital expenditures	(838)	(861)
Other	<u>1</u>	<u>-</u>
Net investing	<u>(837)</u>	<u>(861)</u>
Financing activities:		
Net repayment of borrowings		(500)
Other	<u>-</u>	<u>-</u>
Net financing	<u>-</u>	<u>(500)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>32</u>	<u>(15)</u>
Net increase in cash, cash equivalents and restricted cash	9,203	5,722
Cash, cash equivalents and restricted cash at beginning of year	<u>18,525</u>	<u>18,077</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 27,728</u>	<u>\$ 23,799</u>