



8208 Melrose Drive  
Lenexa, KS • 66214  
www.qchi.com  
OTC PINK Symbol: QCCO

## NEWS RELEASE

*Contact:*

Cathy Tharp (913-234-5100)  
Chief Accounting Officer

### **QC Holdings, Inc. Reports Third Quarter 2024 Results**

LENEXA, KS (April 11, 2025) – QC Holdings, Inc. (OTC PINK: QCCO) reported net loss of \$4.0 million and revenues of \$131.1 million for the nine months ended September 30, 2024. For the nine months ended September 30, 2023, the Company reported net loss of \$3.5 million and revenues of \$125.0 million.

The \$6.1 million increase in revenues during the first nine months of 2024 compared 2023 reflects steady growth across the Company's footprint, highlighted by a \$2.5 million increase from the branches in Tennessee acquired by the Company from Hutcheson Enterprises, Inc. (HE) in May 2022. The Company's legacy states of Missouri, Oklahoma, Texas and Wisconsin produced solid revenue growth period-to-period, which was partially offset by the impact of the Company closing its New Mexico branches during first quarter 2023 due to an untenable law passed by the New Mexico legislature in 2022.

Loan loss rates increased from 34.2% for the nine months ended September 30, 2023 to 35.8% during the comparable 2024 period. This increase is primarily attributable to a higher proportion of new customers to returning customers compared to the prior year. While new customers contribute to increases in revenue, they default at a higher rate than returning customers due to lack of familiarity with the product and loan requirements.

Operating expenses increased period-to-period due to increases in marketing related to the locations in the three new states obtained in the HE acquisition and depreciation associated with branch refresh efforts in these states. These increases were

offset slightly by reduced occupancy and compensation costs as a result of the closing of the Company's New Mexico branches in 1Q 2023.

The Company's receivables increased \$3.8 million from September 30, 2023 due to integration of the HE locations into the Company's operations and increased marketing efforts. The states of Alabama, Mississippi and Tennessee experienced an aggregate increase of 15% from September 30, 2023 to the current period end.

The Company expects loan demand to follow typical trendlines during 2024 as broader market and economic pressures balance. As expected, the Company's loan losses increased during year-to-date 2024 compared to the same prior year period. The Company believes loan loss rates during 2024 will be higher than prior year due to the higher proportionate share of new customers to returning customers, which will be the result of an accelerated marketing strategy intended to capitalize on solid consumer demand.

#### **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, QC offers various products, including installment, title, open-end credit and single-pay loans and check cashing, through 325 branches in 12 states, and via the internet in 12 states. In Canada, the Company, through its subsidiary Amaranth Financial Services Inc., is engaged in short-term consumer lending through 19 branches in four provinces and online across the country.

*Forward Looking Statement Disclaimer: 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) risks associated with the consummation of the merger agreement announced by the Company on April 11, 2025, (2) the impact of inflation on the ability of consumers to repay loans and the wage pressures on the Company, (3) risks associated with integration of acquisitions into the Company's operations, (4) changes in laws or regulations or governmental interpretations of existing laws and regulations governing consumer protection or short-term lending practices, such as the New Mexico*

*legislation that effectively prohibits the Company's loan products in that state, (5) 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) and the ongoing role of the CFPB under the current administration, (6) ballot referendum initiatives by industry opponents to cap the rates and fees that can be charged to customers, (7) uncertainties related to the examination process by the CFPB and indirect rulemaking through the examination process, (8) litigation or regulatory action directed towards us or the short-term consumer loan industry, (9) volatility in our earnings, primarily as a result of fluctuations in loan loss experience and closures of branches, (10) risks associated with our dependence on cash management banking services and the Automated Clearing House for loan collections, (11) 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, (12) changes in our key management personnel, (13) risks associated with owning and managing non-U.S. businesses, and (14) other various risks. The Company 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>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>				
Consumer loan interest and fees	\$ 42,704	\$ 40,560	\$ 122,636	\$ 117,705
Other	<u>2,994</u>	<u>2,594</u>	<u>8,490</u>	<u>7,250</u>
Total revenues	45,698	43,124	131,126	124,955
Provision for losses	17,542	16,170	46,905	42,755
Operating expenses	<u>19,278</u>	<u>18,686</u>	<u>56,922</u>	<u>53,758</u>
<b>Gross profit</b>	8,878	8,268	27,299	28,442
Corporate and Regional expenses	6,106	6,804	18,500	20,413
Interest expense, net	3,756	3,119	10,825	9,084
Other expense, net	<u>340</u>	<u>603</u>	<u>1,423</u>	<u>2,023</u>
Loss before income taxes	(1,324)	(2,258)	(3,449)	(3,078)
Provision for income taxes	<u>190</u>	<u>138</u>	<u>565</u>	<u>461</u>
<b>Net loss</b>	<u>\$ (1,514)</u>	<u>\$ (2,396)</u>	<u>\$ (4,014)</u>	<u>\$ (3,539)</u>
<b>Loss per share:</b>				
<i>Basic</i>				
Net loss	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ (0.23)</u>	<u>\$ (0.20)</u>
<i>Diluted</i>				
Net loss	<u>\$ (0.09)</u>	<u>\$ (0.14)</u>	<u>\$ (0.23)</u>	<u>\$ (0.20)</u>
<b>Weighted average number of common shares outstanding:</b>				
Basic	17,338	17,300	17,338	17,300
Diluted	17,359	17,318	17,350	17,313

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>	<b>(Unaudited)</b>	
Current assets		
Cash and cash equivalents	\$ 12,371	\$ 14,184
Restricted cash	812	817
Loans receivable, less allowance for credit losses of \$11,834 and \$11,780 at September 30, 2024 and December 31, 2023, respectively	60,835	61,466
Other current assets	<u>5,970</u>	<u>5,398</u>
Total current assets	79,988	81,865
Non-current loans receivable, less allowance for credit losses of \$891 and \$715 at September 30, 2024 and December 31, 2023, respectively	4,404	3,777
Property and equipment, net	10,385	9,186
Right-of-use assets, net	22,886	25,507
Other assets, net	<u>21,229</u>	<u>22,193</u>
Total assets	<u><b>\$138,892</b></u>	<u><b>\$142,528</b></u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and other current liabilities	\$ 12,003	\$ 12,824
Lease liability	7,046	7,056
Debt due within one year	<u>1,365</u>	<u>1,655</u>
Total current liabilities	20,414	21,535
Long-term debt, less current portion	72,955	69,919
Lease liability	<u>22,130</u>	<u>23,608</u>
Total liabilities	115,499	115,062
Stockholders' equity	<u>23,393</u>	<u>27,466</u>
Total liabilities and stockholders' equity	<u><b>\$138,892</b></u>	<u><b>\$142,528</b></u>

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

	<b>Nine Months Ended <u>September 30,</u> <u>2024</u></b>	<b>Nine Months Ended <u>September 30,</u> <u>2023</u></b>
Operating activities:		
Net loss	\$ (4,014)	\$ (3,539)
Adjustments to reconcile net loss to net cash	52,313	47,766
Changes in assets and liabilities	<u>(3,739)</u>	<u>(401)</u>
Net operating	<u>44,560</u>	<u>43,826</u>
Investing activities:		
Loan activity, net	(46,361)	(39,853)
Capital expenditures	<u>(2,138)</u>	<u>(1,320)</u>
Net investing	<u>(48,499)</u>	<u>(41,173)</u>
Financing activities:		
Indebtedness activity, net	<u>2,211</u>	<u>(2,374)</u>
Net financing	<u>2,211</u>	<u>(2,374)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(90)</u>	<u>(1)</u>
Net decrease in cash, cash equivalents and restricted cash	(1,818)	(278)
Cash, cash equivalents and restricted cash at beginning of year	<u>15,001</u>	<u>16,889</u>
Cash, cash equivalents and restricted cash at end of period	<u><u>\$ 13,183</u></u>	<u><u>\$ 17,167</u></u>