

# CML Group

24<sup>th</sup> March 2017

**CML Group Limited (ASX:CGR)**

## **Institutional Bank Funding**

CML Group (CML) is pleased today to announce it has entered into its first Wholesale banking facility consistent with its previously stated strategy. CML has entered into a new drawdown facility with ANZ, which will support CML's next growth phase.

The terms of the facility with ANZ are as follows;

*Facility size: \$40,000,000*

*Interest: 2.70% over 30 day BBSY (approximately 1.80%)*

*Line fee: 0.10% per annum*

*Undrawn funds: 0.65% per annum*

This compares favourably with CML's current average cost of funds of 9%.

CML expects to progressively utilise the ANZ facility for growth and to replace existing facilities as maturity dates approach.

Every 1% decrease in average funding costs on CML's current loan book of approximately \$70m will generate ~ \$0.7m before tax in additional annual earnings. The additional earnings on a reduction in funding costs will grow proportionately with the loan book.

*CEO Daniel Riley commented "the new facility is a milestone for CML, facilitating a shift to significantly lower cost funding that will drive profit margins up and increase CML's competitiveness. The facility will be used progressively; in-line with business growth and to replace existing facilities as maturity dates approach – with possibilities for early retirement of existing facilities to be explored to fast-track the advantage of lower cost funds."*

Sincerely,



Daniel Riley  
CEO



## **ABOUT CML GROUP**

CML provides finance to SME businesses.

Operating as Cashflow Finance, CML's primary service is 'factoring' or 'receivables finance.' Through the factoring facility CML provides an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customer (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. CML will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.

Other services include trade finance to assist clients finance purchases, as well as labour sourcing, project management and direct recruitment.

