

9<sup>th</sup> July 2018

## Upgrade to FY'18 Guidance

CML Group Limited (ASX: CGR) ("CML" or the "Company") is pleased to provide an upgrade to its earnings guidance for FY'18.

Underlying EBITDA\* for FY'18 is expected to exceed \$17m (FY'17: \$13.2m), compared to previous guidance of in excess of \$15.5m. The upgrade reflects;

- Continued strong growth in the core Cashflow Finance division, driven in part by an increase in online applications,
- Smooth integration of the acquired Thorn Debtor Finance (TDF) business, and
- Better than expected results from the recently established Equipment Finance division which was profitable in the second half after only being launched in July 2017.

Commenting about the revised guidance, CML Group CEO Daniel Riley, said:

*"The earnings upgrade for FY'18 is reflective of the success of organic growth initiatives put in place over recent times, the successful acquisition and smooth integration of the TDF business and the newly formed Equipment Finance division exceeding our own expectations. With higher top line growth and a continued focus on use of technology and cost containment this has resulted in improved margin and substantial growth in underlying earnings."*

*The Company has not finalised a full review of FY'19 expectations but with all divisions of the business performing ahead of expectations and strong traction in growth initiatives undertaken during FY'18, we are more than comfortable in re-affirming previously stated FY'19 guidance of Underlying EBITDA of ~\$19.5m. In addition, shareholders will see as a result of the recent balance sheet restructuring, improved funding costs driving additional improvement to net earnings in FY'19."*

\* Underlying EBITDA excludes the H2'FY18 one-off \$1.6m (before tax) impact of fees incurred on early redemption of the FIIG bonds which is part of the \$2.7m previously advised on 6<sup>th</sup> April 2018 when CML transitioned to expanded Funding Facility.

Sincerely,



Daniel Riley  
CEO



## **ABOUT CML GROUP**

CML provides finance to SME businesses.

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 customers (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 equipment finance to assist SME's with capital expenditure on items required to operate their business.

