



CML Group Limited (ASX:CGR)

22 January 2015

First Half Trading Update

Trading ahead of Budget

CML Group is pleased to give a trading update based on the preliminary results for the 6 months to December 2014. The final results will be released in late February.

Strong growth continued in the first half of FY'15, building on the momentum of the previous 2 years and reflects the growing debtor loan book of the Finance division. In the 6 months to December, Revenue and EBITDA are both up by in excess of 36%, compared to the previous corresponding period.

NPAT growth of in excess of 25% takes into account the higher interest costs associated with the increase in CML's loan facilities with Greensill and closure of the NAB facility, completed in November 2014. There are administration efficiencies that will be realised in H2'15 from the transition of funding to Greensill Capital and the completion during H1'15 of migration of all finance customers onto an industry leading software platform. The Company believes this will deliver improved margins in the current half and future years.

\$m unless stated	H1'13	H2'13	H1'14	H2'14	H1'15*	Change H1'15 Vs H1'14
Revenue	49.76	51.05	61.63	77.73	84.00+	↑ 36%+
EBITDA	0.98	0.74	1.10	1.33	1.50+	↑ 37%+
NPAT	0.52	0.24	0.56	0.55	0.70+	↑ 25%+

* Preliminary Results

CML Group

Commenting on the result, CML Group Managing Director Daniel Riley said, "CML is pleased with the result, which is ahead of budget. The growth continues to be driven predominately from the expansion of our receivables finance offering. The Convertible Note Entitlement Issue, of which the shareholder entitlement closed yesterday and shortfall placement closes next week, will form the basis of enabling the business to continue growing its financing business which of recent times has been limited not by sales but by the ability to finance it. The Convertible Note, combined with existing facilities and equity, will provide sufficient funding to enable the business to achieve a loan book of \$25m, and although funding limitations delayed take-on of new clients in the last 2 months of H1'15, the Company reaffirms its guidance on a loan book size of \$25m by December 2015."

Sincerely,



Daniel Riley
CEO
Phone: 1300 666 177

ABOUT CML GROUP

The Company delivers finance, payroll & employment solutions, enabling its clients to focus on and succeed in their core activities.

The Finance division undertakes 'factoring' or 'receivables finance'. Through the factoring facility the Company 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 utilized in line with sales volume. The Company 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.

The Payroll & Employment division provides 'managed employment' services to clients that do not wish to engage their workforce directly, generally as they do not have the processes, systems, insurances or desire to employ directly. This division also includes labour sourcing through recruitment agency panel management, project management and a migration practice.