

Case Study

CML Group Ltd

CML Group

\$40m

March 2016 &

May 2016

Senior Secured Notes

Sole Lead Arranger

Issue Date	March 2016, May 2016
Amount	\$25m, \$15m tap
Maturity	18 March 2022
Term	6 years (par call after 5)
Coupon	8.00%

Issuer Profile

CML Group Limited (“CML”) is an ASX-listed (ASX: CGR) provider of finance, payroll and recruitment services. CML’s two operating areas are (i) Finance, which provides disclosed factoring (disclosed invoice finance) to small and medium enterprises and (ii) Payroll and Other, which provides outsourced payroll solutions, employment and recruiting as well as immigration services. CML had a market cap of \$19m as at May 2015.

Issuer Need

In 2015, CML issued \$25m into the debt capital market, utilising the funds to acquire a factoring business. Subsequent to the issue, CML successfully grew its book in line with expectations. To facilitate further organic growth in its loan book and fund the acquisition of another competitor, CML was seeking additional funding.

FIIG Solution

CML’s stated strategy for its maiden Notes issue was to utilise them as the core debt facility and look to issue additional tranches as the business grew. FIIG was able to work with CML to structure an additional series of Notes to facilitate the additional funding and inject an appropriate level of flexibility to ensure that the issue and subsequent tap was complimentary to the broader capital structure and growth aspirations of the business.

Issuer Comment

“CML was previously constrained by access to appropriate funding, being long-term and expandable. FIIG was quick to understand CML’s needs and their support has helped CML to accelerate its growth, both organically and through acquisition of aligned businesses.” CEO, Daniel Riley

FIIG Contact

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