

Massy Holdings borrows US\$150M from IDB Invest



Massy Holdings chairman, Robert Riley

Massy Holdings Ltd yesterday announced a plan to take a US\$150 million loan from the Inter-American Investment Corporation (IDB Invest).

In a notice to the Trinidad and Tobago Stock Exchange, Massy Holdings said its board of directors has approved a longterm financing package among the company, its wholly owned subsidiary, Massy Integrated Retail Ltd and IDB Invest.

In the notice, Massy Holdings said the financing package with IDB Invest secures up to US\$150 million in long-term, unsecured funding, structured as drawdown-based facilities, comprising:

- US\$90 million in term financing with a ten-year tenor, a 36-month grace period, and interest at SOFR plus 165bps or an equivalent fixed rate at the time of disbursement.
- The remaining US\$60 million of the financial package will be in revolving supply chain financing, with an initial five-year availability at interest of SOFR plus 110 bps.

The US\$60 million financing is being structured in two tranches:

- US\$35 million committed import finance loan;
- US\$25 million uncommitted facility for import finance and accounts payable.

The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The SOFR rate on Monday was 4.35 per cent. That means the interest rate on the US\$90 million financing is about six per cent, while the rate on the US\$60 million is about 5.45 per cent.

The notice said, “This financing enhances balance sheet flexibility and is accretive to shareholder value and shifts a large portion of the Group’s USD borrowings from secured to unsecured, unencumbering approximately US\$50 million in assets.

“It also provides long-term capital to support infrastructure and capital investments in line with the group’s strategic growth plans.

“The financing package will be finalised on February 7, 2025, with disbursement targeted for February 2025.”

Last Friday, Massy reported profit attributable to owners of the parent of \$190.5 million for the three months ended December 31, 2024. That was 4.27 per cent more than the company owned in the comparable period in 2023.

Massy’s revenue in the three-month period was \$4.15 billion, which was a 5.98 per cent increase over the comparable quarter in 2023.

In the Massy chairman’s statement on the first quarter results, Robert Riley said the performance “underscores our ability to drive sustainable growth while maintaining strong financial discipline.”

Riley said the new cash generated from the group’s operations surged by 227 per cent year-over-year, rising from \$164 million to \$537 million, “reflecting our continued disciplined approach to cash and working capital efficiency.”