

CYDSA (BUY, T.P. MXN\$31.00)

Raised a US\$65 million bank credit to buy-back Senior Notes

CYDSA announced it has raised a US\$65 million bank credit with an interest rate of Libor plus 160 bps and maturity in April 2026. It will have three semi-annual amortizations of principal amounting to approximately US\$5.42 million and a final US\$48.75 million amortization which will begin on October 28, 2024. The company will use these resources for the repurchase of 6.25% Senior Notes due 2027. We estimate that CYDSA will generate interest savings of around US\$1.3 million per year and will reduce the amount of Senior Notes outstanding as it will buy back such debt instruments at a 10% discount. This transaction is part of management's strategy which focuses on improving the company's credit profile and debt conditions, which we consider to be positive. We reiterate BUY with a MXN\$31.0/share target price after this news.

October 4th, 2022

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