

Teraco secures multi-billion rand loan for expansion, renewable energy

Teraco, a carrier-neutral data centre and interconnection services provider in South Africa, has announced the conclusion of a syndicated loan facility worth R11.8bn, of which R5.7bn will be used to finance the company's continued growth and R6.1bn will refinance and extend the average maturity profile of existing drawn debt. The new facilities mature in December 2028, providing a 2.9-year extension of the weighted average tenor.



Samuel Erwin, CFO at Teraco | image supplied

The growth funding is for the expansion of Teraco's key interconnection hubs located within the Isando, Bredell, and Cape Town campuses, and a significant renewable energy generation programme aligned to the company's long-term environmental, social and governance (ESG) goals.

"Teraco is dedicated to protecting, connecting, and growing the enterprises and ecosystems shaping Africa's digital future sustainably and responsibly. As we continue our journey, our ESG goals form the cornerstone of how we grow our business, engage with employees and suppliers, support our clients, and minimise our impact on the environment," says Samuel Erwin, chief financial officer at Teraco.

"We are committed to managing our environmental impact sustainably by optimising our use of energy and natural resources. We remain focused on efforts to create energy-efficient data centres that address our environmental challenges, and we're grateful for the continued support from partners that share our vision," he adds.



Teraco begins construction on its new hyperscale data centre in Johannesburg

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The syndicated loan, led by Absa, includes several large financial institutions and provides an avenue for further funding in the future. The continued appetite to fund Teraco is driven by its track record and Digital Realty's shareholding.

Digital Realty is a global investment grade-rated majority shareholder in Teraco that shares the company's sustainability commitment as it delivers energy and resource-efficient colocation services.

As most enterprise organisations accelerate their digital transformation strategies and place greater focus on cloud adoption strategies, these same businesses are looking for the ability to scale in a sustainable way. This is a source of competitive advantage in a world where fast and secure interconnection with strategic business partners is a priority.

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