

Portland International Jetport, ME Revenue Bond Rating Raised To 'A-' From 'BBB+' On Strong Debt Service Coverage

October 28, 2019

CENTENNIAL (S&P Global Ratings) Oct. 28, 2019--S&P Global Ratings raised its long-term rating on Portland, Maine's general airport revenue bonds outstanding, issued for Portland International Jetport (PWM), to 'A-' from 'BBB+'. At the same time, S&P Global Ratings assigned its 'A-' long-term rating to PWM's estimated \$57.03 million series 2019 general airport revenue refunding bonds. The outlook is stable.

"The rating upgrade reflects our expectation that PWM will maintain debt service coverage (DSC) at levels we consider strong, and debt and liabilities capacity at levels we consider very strong, along with no additional debt needs," said S&P Global Ratings credit analyst Scott Shad.

The rating reflects our opinion of the airport's strong enterprise and financial risk profile. The ratings also reflect a negative holistic analysis adjustment we apply to accurately reflect the overall creditworthiness of PWM, given its comparatively lower enplanement levels and small service area. The enterprise risk profile reflects an origin and destination airport with a stable and expanding baseline level of demand and diverse carrier mix, offset by comparatively lower activity levels and some regional competition. Our financial risk profile reflects the impact of the proposed series 2019 bond refinancing with DSC metrics that we expect to remain within a range we consider strong (1.25x-3.0x), along with meaningful available liquidity and ample debt and liabilities capacity.

The stable outlook reflects our expectation of generally stable enplanement levels with modest fluctuations, supporting a strong financial profile with no additional debt needs.

Given PWM's comparatively lower passenger levels and exposure to airline service-level decisions, we do not expect to raise the rating during the two-year outlook period.

Although unlikely, we could lower the rating if DSC declines to levels that we view as adequate or enplanements substantially decline, suggesting a weaker market position.

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