

Airport Garners AA- and Aa3 Bond Ratings

Outlook Upgraded to Stable by Fitch

April 12, 2021 - Two of the worlds' top rating agencies recently rated bonds issued on behalf of the Charlotte Douglas International Airport.

Fitch Ratings assigned an 'AA-' rating to the City of Charlotte's approximately \$387.7 million of series 2021A and B Airport revenue bonds to be issued on behalf of CLT. The rating agency also affirmed the 'AA-' rating on the Airport's approximately \$772 million of outstanding parity bonds.

Due to CLT's strong recovery, Fitch revised the rating outlook on Airport revenue bonds from negative to stable. This upgrade is only one of two airport revenue bond credits in the U.S. to receive a stable outlook.

"The Outlook revision to stable reflects the significant passenger recovery at CLT to almost 60 percent of pre-pandemic levels, and the Airport's importance as a connecting hub for American Airlines (B-/Negative), providing financial stability that is further supported by federal and state grants through the trough of the coronavirus pandemic," according to a Fitch Ratings press release. "The stable outlook also reflects Fitch's expectation that a continuation of the current recovery trajectory, together with the Airport's low airline costs and long-term airline agreement, will provide sound financial performance in the near term."

Moody's Investors Service assigned Aa3 to the City of Charlotte's Airport Enterprise's Airport Revenue Bonds, Series 2021A (Non-AMT) and 2021B (AMT) and categorized the outlook as stable.

"The Aa3 rating is reflective of the fundamental strengths of Charlotte Douglas International Airport, which combine one of the nation's lowest cost connecting hubs with a strong local economy and its growing demand for O&D travel," said Moody's Investors Service's press release. "Enplanements have shown high levels of resiliency through the coronavirus pandemic, and we expect recovery of demand for air service and financial metrics sooner at CLT than the US airport sector as a whole."

On March 22, Charlotte City Council approved the issuance of the 2021 bonds to provide partial capital funding for the Airport's five-year capital improvement plan Destination CLT through fiscal year 2026 and fully refund the outstanding series 2010A&B and series 2011A&B bonds. The refunding transaction will result in a total savings of \$45.1 million. The issuance of debt to fund Airport improvements is a collaborative effort between the Aviation Department and the City's Finance Department.

Charlotte Douglas continues to see growth in 2021. Over the Easter holidays, CLT welcomed more than 20,000 local passengers each day between April 1- April 5, the highest since the start of the pandemic in mid-March. The Airport also served tens of thousands of daily connecting passengers. "Our bond ratings by both Moody's and Fitch are a testament of the Airport's financial stewardship and resiliency as hub," said Acting Aviation Director Haley Gentry. "We remain one of the busiest airports in the world and show strong signs of returning to 2019 record breaking numbers by 2024 or sooner."

<https://stage.mediaroom.com/cltairport/airport-garners-AA-and-Aa3-bond-ratings>