

# PORT AUTHORITY OF GUAM

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## NEWS RELEASE

### S&P Global Ratings Maintains Port's Outlook at Stable

**Piti, Guam, October 20, 2022:** S&P Global Ratings maintains its outlook for the Port Authority of Guam at stable and affirmed its 'A' long-term rating on the agency's outstanding series 2018 Port Revenue Bonds.

"We consider the authority's management and governance strong, reflecting our view of the port's strategic positioning, risk and financial management, and organizational effectiveness," the ratings report released today by Standard and Poor's Global Ratings stated. "The authority has historically operated in a fiscally prudent manner, implementing tariff increases as needed, building and maintaining cash reserves, and minimally relying on debt issuance to meet capital needs."

The Port of Guam has been largely stable between fiscal years 2018-2021 with containers growing to 86,780 in fiscal 2021 from 85,143 in fiscal 2020.

"The maintained rating of the Port's 2018 Revenue Bond affirms that we have been on target with the directives put in place by Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio and our Board of Directors," said the Port's General Manager Rory J. Respicio. "This news, along with the Port's low-risk designation over the past three years received earlier this year from Moody's Investors Service, brings us the credibility needed to seek funding to replace the Port's aging gantry cranes, rehabilitate the wharves to ensure resiliency, and replace our aging facilities, so that the Port does not become a choke point for discharging and deploying military assets and commodities, in addition to our charge to keeping the Port 100% operational at all times."

The report stated that in their view the following were the Port's key credit strengths:

- Its essentiality to the island economy;
- Strong financial performance, reflecting our expectation that coverage (S&P Global Ratings-calculated) will be maintained above 1.25x; and
- Strong debt and liabilities capacity given the lack of additional debt needs.

In June of this year, Moody's Investors Service maintained its outlook for the Port Authority of Guam as stable (Baa2), pointing to low leverage, strong liquidity and the Port's position as the sole commercial port in Guam.

"It is a privilege to have the opportunity to work alongside these hardworking and dedicated Port employees," Respicio said. "Their excellent work and commitment to moving the Port forward for our island and our region is evident throughout the report."

A copy of S&P Global Ratings Report is attached.