

# PORT AUTHORITY OF GUAM

JOSE D. LEON GUERRERO COMMERCIAL PORT

1026 Cabras Highway, Suite 201 Piti, GU 96915

Phone: (671) 477-5931 Fax: (671) 477-2689

Website: [www.portguam.com](http://www.portguam.com)



## NEWS RELEASE

### Moody's Removes Port from Credit Watch

**Piti, Guam, April 1, 2021:** More good financial news today for the Port Authority of Guam as Moody's Investors Service issued a credit report that removed the agency from credit watch based on strong finances with financial stability expected to grow over the next year.

The report also indicated that despite the COVID-19 pandemic, the Port continues to have the same rating since 2018. The credit watch was issued last year due to the Covid-19 Pandemic's potential impact on the Port's finances.

"Management maintained good cost control in fiscal year 2020 and was able to generate positive net income," stated the report that was released today. "Trends have remained favorable throughout January 2021."

Port General Manager Rory J. Respicio said he welcomes this new report and attributes the success to the agency's efforts to strengthening the Port's financial affairs division.

"We have worked tirelessly to provide responsible and transparent financial management, and our efforts are being recognized by national investment services, the Guam Public Auditor, and has even won us awards on a local and national level," Respicio said.

According to Moody's report, leverage is low (2.9x adjusted debt to operating revenue in fiscal 2019), and liquidity remains strong.

"The port remained fully operational during the coronavirus pandemic," the report stated. "We expect that the authority will maintain healthy credit metrics with debt service coverage (DSCR) around 2.0x in fiscal year 2020 and close to 2.0x in fiscal year 2021."

The report states that constraining credit factors include the small scale, high customer concentration, exposure to weather-related events, the linkages to the credit quality of the Government of Guam and a high fixed cost base as an operator port.

Some of the credit strengths listed in the report include stable cargo trends despite coronavirus restrictions, low leverage, and solid liquidity.

"The port authority has demonstrated good cost control in fiscal year 2020 and year-to-date fiscal year 2021," the report stated. "Unaudited results as of September 30, 2020 show that general and administrative expenses came in 1.5% below the prior year and 8.2% below budget."

Moody's attributed the negative rating outlook reflects in the assessment to the linkage between the port authority and the financial health and stability of the Government of Guam (Ba1 negative).

A copy of Moody's report is attached.

-30-

Contact: Port Marketing Administrator Bernadette S. Meno

Phone: (671) 477-5931 ext. 545 Email: [bmeno@portofguam.com](mailto:bmeno@portofguam.com)