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Lacking Ridership and Revenue, Florida's Lauded Private Rail Is Worrying Investors.

Takeaways

- Brightline's ridership and revenue have lagged projections, creating financial hurdles for the company.
- Investors who hold the company's $5.5 billion in outstanding debt are trying to understand the extent of the stress the company is under, with some considering their options with law firms.
- Brightline still has cash reserves to cover some of its outstanding debt until at least 2027, but its latest monthly update showed that ridership and revenues are far below the projections the company offered to bond investors last year.

The Brightline train running from Miami to Orlando, lauded as an alternative vision for the future of American rail travel, is making some investors anxious.

The concerns have amped up since Bloomberg reported earlier this month that Brightline was going to delay an interest payment on $1.2 billion of bonds it issued through the municipal-bond market, one of several different types of debt issued by various arms of the company.

Continue reading.

Bloomberg Markets

By Martin Z Braun, Reshmi Basu, and Eliza Ronalds-Hannon

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