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S&P: Outlooks On Certain U.S. Convention Center And Sports Authorities Revised To Negative From Stable On COVID-19 Impact

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FARMERS BRANCH (S&P Global Ratings) April 1, 2020–S&P Global Ratings revised the ratings outlook to negative from stable on certain U.S. convention center and sports authorities in the wake of the COVID-19 pandemic. The negative outlooks provide notification to market participants that the affected entities face at least a one-in-three likelihood of a negative rating action over the medium term (generally up to two years). At the same time, S&P Global Ratings affirmed its ratings on the entities.

"The negative outlook reflects our belief that the advent of "social distancing" and subsequent cancellations of major events, as well as material declines in travel and closing of businesses in response to the global spread of COVID-19, have affected, and will negatively affect convention center and sports authorities' revenue streams," said S&P Global Ratings credit analyst Andy Hobbs. The current negative outlooks are reflective of entities where the operating risk is associated with the particular convention center or sports authority. S&P Global Ratings recognizes that with almost 200 million Americans either under shelter-in-place orders or being urged to stay at home in a concerted effort to contain the spread of the new coronavirus, the longest economic expansion in U.S. history has come to an abrupt end. The toll on GDP will be far more severe than we once thought–with the contraction showing up in the first-quarter figure and worsening substantially in the April-June period. (see "It's Game Over For The Record U.S. Run; The Timing Of A Restart Remains Uncertain ," published on March 27, 2020, on RatingsDirect).

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