

Bond Case Briefs

Municipal Finance Law Since 1971

Fitch: Media Revenues Anchor Stable Outlook for Sports Facilities, Leagues and Teams in 2021

Fitch Ratings-New York-28 January 2021: Immensely valuable media content will drive the Stable Outlook for sports with far fewer fans attending stadiums and arenas until well into 2021, according to Fitch Ratings in its annual Outlook report for the sector.

The sports operating environment will not be materially worse than 2020, though the coronavirus pandemic remains tough to navigate for the NBA, MLB, NFL and NHL. "With local government restrictions keeping most sports fans at home for the foreseeable future, stadiums and arenas will experience the greatest pressures from lower game-day revenues and expiring contractual sponsorship agreements along with premium seating inventory," said Senior Director Chad Lewis.

Absent widely available vaccines, sports leagues are still demonstrating the ability to play games during the pandemic and meet expectations of their media agreements. National and local media contracts are also providing significant revenues and providing strong bondholder support for sports leagues, factors that support Fitch's Stable Outlook for the year. That said, the headroom for current league ratings is shrinking.

"Sports leagues and facilities will have diminished liquidity to cover operating costs and debt obligations under no-fan or limited-fan scenarios and may, as a result, have to tap the debt markets with more frequency," said Lewis. "If de-leveraging and/or the return to pre-pandemic operating levels is slower than expected, negative ratings action may be warranted."

Fitch's "2021 Outlook: Global Sports Leagues and Facilities" report is available at 'www.fitchratings.com'.

Contact:

Chad Lewis
Senior Director
+1-212-908-0886
Fitch Ratings, Inc.
300 W 57th Street
New York, NY 10019

Media Relations: Sandro Scenga, New York, Tel: +1 212 908 0278, Email: sandro.scenga@thefitchgroup.com

Additional information is available on www.fitchratings.com