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## **S&P U.S. Transportation Infrastructure Sector Update And Medians: Not-For-Profit Toll Roads and Bridges**

### **Key Takeaways**

- We expect U.S. not-for-profit toll road ratings will remain stable, given a rebound in traffic in 2021 to near pre-pandemic levels supported by positive commercial vehicle traffic trends, following temporarily weakened activity at the onset of the COVID-19 pandemic.
- Prudent management actions, including reducing operating and maintenance (O&M) expenses, increasing toll rates, restructuring debt, and deferring capital projects, have largely mitigated the effect of revenue loss on financial metrics.
- Resilient commercial vehicle traffic spurred by increased consumer spending somewhat offset more severe declines in passenger vehicle traffic and supported overall operating revenue performance, especially for mature, statewide systems.
- Fiscal 2020 financial metrics, including debt service coverage (DSC), debt to EBIDA, and liquidity and financial flexibility, weakened but remained comparable with historical levels despite lower median revenues of about 10% in 2020 due to pandemic-induced activity declines and toll transaction declines of about 15%, resulting in median DSC of 1.7x in 2020 compared with 1.9x in 2019.

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