

PORT AUTHORITY OF GUAM

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NEWS RELEASE

S&P Global Ratings Maintains Port's Outlook at Stable

Piti, Guam, September 29, 2023: S&P Global Ratings maintains its outlook for the Port Authority of Guam at stable and affirmed its 'A' long-term rating on the agency's outstanding series 2018 Port Revenue Bonds.

"We consider the authority's management and governance strong, reflecting our view of the port's strategic positioning, risk and financial management, and organizational effectiveness," the ratings report released today by Standard and Poor's Global Ratings stated. "Our assessment of the authority's financial risk profile as strong reflects our view of its strong financial performance, strong debt and liabilities capacity, and adequate liquidity and financial flexibility."

According to the report, "the stable outlook reflects our expectation that fiscal 2023 and 2024 port activity will continue to demonstrate resiliency in the aftermath of Typhoon Mawar, and that key financial metrics will remain sound, the port's debt capacity will remain strong, and cargo volumes will remain near current levels."

"This news, along with the Port's low-risk designation over the past four years, brings us the credibility needed to seek funding to replace the Port's aging gantry cranes, rehabilitate the wharves to ensure resiliency, and replace our aging facilities, so that the Port does not become a choke point for discharging and deploying military assets and commodities," said Port General Manager Rory J. Respicio. "This positive news affirms that we have been on target with the directives put in place by Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio and our Board of Directors."

The report stated that in their view the following were the Port's key credit strengths:

- Its essentiality to the island economy;
- Strong financial performance, reflecting our expectation that coverage (S&P Global Ratings-calculated) will be maintained above 1.25x; and
- Strong debt and liabilities capacity given the port's low additional debt needs.

"In spite of all of our accomplishments these past four and half years, there is still so much more that needs to be done to keep the Port 100% operational," Respicio said. "Since day one, we have been cleaning up the sins of the past and still manage to bring financial stability, improved vessel operations, and high employee morale; in short, we are ushering in a higher level of excellence, as affirmed by this report."

A copy of S&P Global Ratings Report is attached.