

Fitch affirms RTD's Issuer Default Rating at 'AA,' upgrades outlook to Stable

Credit rating agency had previously placed agency on a Negative outlook due to anticipated pressure on revenues

DENVER (Jan. 21, 2022) – Fitch Ratings, one of three credit rating agencies used by the Regional Transportation District (RTD), announced this week that it had changed the agency's rating outlook to Stable from Negative, having placed RTD on a Negative outlook for its credit rating throughout much of the COVID-19 pandemic.

A news release issued by Fitch also affirmed RTD's Issuer Default Rating at 'AA,' a rating that carries very low default risk, indicates very strong capacity for payment of financial commitments, and shows no significant vulnerability to foreseeable events. Fitch stated that the revised outlook "reflects a reversal of revenue pressures experienced at the onset of the COVID-19 pandemic, enabled by surging sales and use tax revenues that are on track to exceed pre-pandemic levels by FYE 2021, coupled with ample COVID-19-related federal relief funds."

Negative outlooks were placed on virtually all transit agencies during the pandemic due to anticipated pressure on revenues. RTD was among several U.S. public transit agencies placed on Rating Watch Negative in March 2020. In changing RTD's rating outlook from Stable to Ratings Watch Negative at that time, Fitch explained that the decision for RTD and the other agencies was made because of "actual and expected severe declines in transit ridership and revenues due to coronavirus pandemic."

The Denver-based transit agency's outlook was downgraded further in September 2020, with Fitch stating that a shift in outlook for RTD from Ratings Watch Negative to Negative reflected "near-term operating pressure due to a projected multiyear recovery period for sales and use tax revenues following the pandemic-induced shutdown."

"Credit ratings matter – they provide a clear understanding of fundamental credit risk for investors and are a universal metric for evaluating the agency against similar entities," said RTD General Manager and CEO Debra A. Johnson. "Like the assessments RTD receives from credit agencies Standard & Poor's and Moody's, Fitch provides independent, objective ratings that affirm the agency's ability to meet financial commitments. I am pleased to see RTD's rating outlook upgraded to Stable. A better credit rating typically means better interest rates will be available to an organization, which helps to keep interest expense low."

More information about RTD's financials and investor information – including budget documents, bond issuances and disclosure statements – is available on the agency's website.

ABOUT RTD

The Regional Transportation District develops, operates and maintains a public transportation system that meets the transit needs of close to 3 million people within an eight-county service area in the Denver Metro region. For more information, visit rtd-denver.com, call 303-299-6000 and follow along on social media: www.facebook.com/RideRTD, [@RideRTD](https://twitter.com/RideRTD) on Twitter, [@ridertd](https://www.instagram.com/ridertd) on Instagram and [rideRTDco](https://www.youtube.com/rideRTDco) on YouTube. For the most current RTD news, visit the News Stop, at rtd-denver.com/news-stop.

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