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Los Angeles International Airport Series 2023A, 2023B Refunding Revenue Bonds Rated 'AA-'

ENGLEWOOD (S&P Global Ratings) March 14, 2023--S&P Global Ratings assigned its 'AA-' long-term rating to Los Angeles Department of Airports' \$255.47 million series 2023A (AMT) subordinate-lien refunding revenue bonds and \$48.72 million series 2023B (non-AMT) subordinate-lien refunding revenue bonds, issued for the Los Angeles International Airport (LAX). At the same time, S&P Global Ratings affirmed its 'AA' rating on LAX's senior-lien general airport revenue bonds (GARBs) and its 'AA-' rating on the subordinate-lien GARBs. The outlook is stable.

"The ratings reflect our opinion of LAX's extremely strong enterprise risk profile and strong financial risk profile, which incorporates the series 2023A&B bond refinancing along with our view of the large capital program and the impact of significant additional debt needs," said S&P Global Ratings credit analyst Scott Shad.

The stable outlook reflects our expectation that LAX's enplanements, although lagging national trends, are recovering, and the airport's good rate-setting flexibility will support its strong financial risk profile as it issues significant additional debt to fund the large capital improvement plan (CIP).

We could lower the rating over the next 24 months if we expect financial metrics will remain at weaker levels inconsistent with a strong financial risk profile as the airport issues significant additional debt to fund its CIP, or enplanement trends weaken materially.

We consider an upgrade in the next 24 months unlikely, given the airport's large CIP with significant additional debt needs.

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