

# Central Florida Expressway Authority

July 22, 2025

This report does not constitute a rating action.

## Credit Highlights

- S&P Global Ratings' long-term rating and underlying rating on [Central Florida Expressway Authority](#)'s (CFX) senior-lien revenue bonds outstanding is 'AA-'.
- The outlook is stable.

## Rationale

### Security

Net revenue of the CFX toll system secures the authority's toll road revenue bonds.

CFX has approximately \$2.9 billion of debt outstanding, including the series 2024 bonds. All the authority's debt is fixed rate, and the authority has no interest rate swaps outstanding.

### Credit overview

The rating reflects our view of the authority's essential role serving a large and rapidly growing five-county region, with approximately 572 million transactions in 2024, and includes a positive holistic analysis adjustment to accurately reflect CFX's overall creditworthiness as a large regional system with critical links and a strategic location. The system has historically experienced favorable traffic and revenue trends and has demonstrated strong rate-setting flexibility, with a long history of annual toll increases that has produced good revenue trends through different economic cycles to maintain financial margins.

The rating further reflects our view of CFX's:

- Important role as a regional infrastructure provider, with critical transportation links in a five-county region in central Florida;
- Very strong management and governance, reflecting a history of meeting or exceeding most operational and financial goals, detailed financial forecasts that management updates frequently to address material variances, and a very capable staff that has considerable experience operating a regional tolling agency; and

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- Favorable debt service coverage (DSC; S&P Global Ratings-calculated) and debt to net revenue that we expect will continue given a history of strong revenue growth stemming from a willingness and ability to increase toll rates and the toll road's favorable traffic trends that, in our view, will support stable metrics as CFX issues additional debt through 2029.

Partly offsetting the above strengths, in our view, are CFX's:

- Large five-year work plan totaling \$4.2 billion, which is anticipated to be partly funded with \$2.7 billion in additional debt and cash on hand; and
- Some competition from toll-free roads.

## Environmental, social, and governance

We analyzed the authority's environmental, social, and governance factors relative to its market position, management and governance, and financial performance. We believe CFX has exposure to physical climate risks associated with extreme weather events, which could leave the service area vulnerable to hurricanes that bring storm surges, inland flooding, and destructive wind events. Favorable demographic trends and economic growth within the central Florida region support long-term credit stability, which represents a social opportunity that generates demand for the system. We consider the authority's governance factors as neutral in our rating analysis.

## Outlook

The stable outlook reflects our expectation that favorable toll transaction and revenue growth will support CFX's strong financial metrics despite its plans to issue additional debt to fund its large work plan.

### Downside scenario

We could lower the rating if the authority is unable to adjust revenue, expenses, and capital spending to maintain strong financial metrics, or if traffic trends are weaker than expected, suggesting characteristics consistent with a lower rating.

### Upside scenario

We do not anticipate raising the rating during the two-year outlook period given our expectation that financial metrics will remain near current levels.

## Credit Opinion

## Enterprise Risk Profile: Very Strong

### Good base of traffic demand, supported by strong and growing service area

The expressway system consists of several contiguous segments totaling 125 centerline miles in the Orlando metropolitan statistical area. It connects the growing residential areas east and west of the city to downtown. There are six limited-access expressways: the East-West

Expressway, the Central Florida GreeneWay, The Beachline Expressway, the Western Beltway/Wekiva Parkway, the John Land Apopka Expressway, and the Poinciana Parkway.

Since 2013, transactions and toll revenue have grown at compound annual rates of 5.6% and 7.8%, respectively. Through 11 months of fiscal 2025 ended May 2025, toll transactions and toll revenue increased by 1% and 5.2%, respectively, compared with the prior-year period. Growth in toll transactions moderated in fiscal 2025 and were affected by toll suspensions for nearly two weeks in October 2024 due to Hurricane Milton.

**Management insights: Very strong management team with solid financial policies and planning**

Management has very detailed capital planning, budgeting, and financial reporting practices that it updates annually. When project planning, management considers the region's growth and capacity needs. For planning purposes, CFX has a debt policy target of no less than 1.6x DSC, which it has well exceeded historically. CFX aims to maintain a minimum of 365 days' cash on hand and projects maintaining an average of 451 days over the next five years as it funds its work plan. The board policy also includes annual toll increases adjusted to the higher of 1.5% or the Consumer Price Index.

**Financial Risk Profile: Strong**

**Improving demand and revenue trends will continue to support favorable financial metrics**

Our strong financial risk profile assessment considers CFX's historical performance and updated financial projections incorporating approximately \$2.7 billion in additional debt plans through 2029 to fund a portion of its \$4.2 billion work plan (2026 to 2030). Given improving financial trends and recent peak coverage in fiscal 2024, we believe the authority has sufficient capacity to absorb the additional debt while maintaining DSC above 1.25x and debt-to-net revenue below 10x. We also expect that CFX will draw down cash but maintain a strong liquidity position, including days' cash of more than 400 and liquidity-to-debt ranging from 3.0% to 7.5% as it funds its work plan, given its robust operating margins.

**Central Florida Expressway Authority--Ratings score snapshot**

Enterprise risk profile	2
Economic fundamentals	1
Industry risk	2
Market position	2
Management and governance	2
Financial risk profile	3
Financial performance	3
Debt and liabilities	2
Liquidity and financial flexibility	3

## Central Florida Expressway Authority--Financial and operating data

	--Fiscal year ended June 30--						Medians for 'AA' category rated toll roads
	2028p	2024	2023	2022	2021	2020	2023
<b>Financial performance</b>							
Total operating revenue (\$000s)	791,390	720,594	644,567	612,603	507,612	467,364	738,774
Plus: interest income (\$000s)	3,181	30,706	23,411	(9,549)	4,142	21,237	MNR
Plus: other committed recurring revenue sources (\$000s)	9,120	8,003	7,307	7,866	7,174	7,601	MNR
Less: total O&M expenses and like transfers out, if any, net of noncash expenses	169,693	155,782	153,259	133,074	125,699	134,886	202,338
Numerator for S&P Global Ratings' coverage calculation (\$000s)	633,998	603,521	522,026	477,846	393,229	361,316	MNR
Total debt service (\$000s)	313,572	209,403	211,686	215,462	219,327	200,421	165,145
Denominator for S&P Global Ratings' coverage calculation (\$000s)	313,572	209,403	211,686	215,462	219,327	200,421	MNR
S&P Global Ratings-calculated coverage (x)	2.02	2.88	2.47	2.22	1.79	1.80	2.43
<b>Debt and liabilities</b>							
Debt (\$000s)	3,946,745	2,778,375	2,871,645	2,960,625	3,084,620	3,093,595	2,207,126
S&P Global Ratings-calculated net revenue (\$000s)	633,998	603,521	522,026	477,846	393,229	361,316	513,784
Debt to net revenue (x)	6.2	4.6	5.5	6.2	7.8	8.6	5.0
<b>Liquidity and financial flexibility</b>							
Unrestricted cash and investments (\$000s)	200,000	376,744	480,173	407,555	553,742	397,467	668,556
Available liquidity, net of contingent liabilities (\$000s)	200,000	376,744	480,173	407,555	553,742	397,467	MNR
Unrestricted days' cash on hand	430.2	882.7	1,143.6	1,117.9	1,607.9	1,075.5	1,079.0
Available liquidity to debt (%)	5.1	13.6	16.7	13.8	18.0	12.8	17.0
<b>Operating metrics - toll road</b>							
Total toll revenue (\$000s)	785,300	704,760	631,728	600,037	496,955	451,894	MNR
Toll transactions (000s)	613,700	572,235	513,349	514,467	435,451	424,188	184,505

p--Projected. O&M--Operations and maintenance. S&P Global Ratings-calculated net revenue = (Total operating revenue + other recurring nonoperating revenue committed to debt service) - total O&M expenses excl. noncash expenses. Available liquidity = unrestricted cash and investments + total contingent liquidity resources - contingent liabilities. Examples of total contingent liquidity resources include working capital line of credit and other available cash reserves not already included in unrestricted cash and investments. See Global Not-For-Profit Transportation Infrastructure Enterprises: Methodologies And Assumptions criteria for more S&P Global Ratings definitions and calculations. MNR--Median not reported.

## Ratings List

## Current Ratings

## Transportation

Central Florida Expressway Authority

Ratings List

Central Florida Expressway Authority, FL Toll Facility Revenues	AA-/Stable
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The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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