MOODY'S RATINGS

CREDIT OPINION
30 June 2026

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Central Florida Expressway Authority, FL

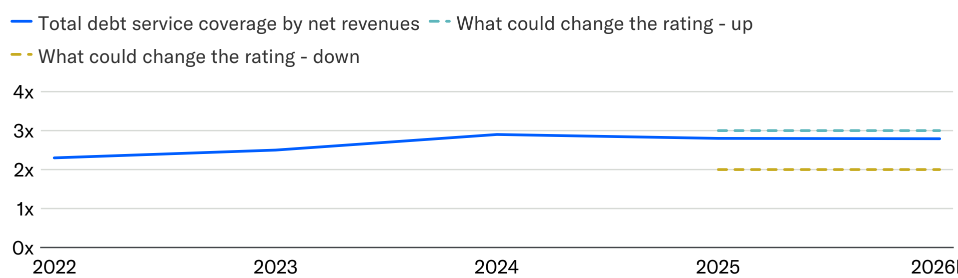
Update to credit analysis

Summary

Central Florida Expressway Authority's (CFX; Aa3 senior and A1 junior ratings; stable outlook) credit profile strong traffic and revenue performance that together with a proactive approach to undertaking capital improvement and expansion projects to serve a rapidly growing service area result in strong financial metrics. Total debt service coverage (DSCR) levels, inclusive of both senior and junior lien debt service, are forecast to remain strong in the medium term under a reasonably conservative traffic and revenue growth case scenario, which includes the anticipated issuance of roughly $2.7 billion in additional senior lien parity debt through 2031. Approximately $2.5 billion of this amount, will be used to fund the authority's $4.5 billion 5-year work plan. The majority of the work plan (approximately 70%) will be for system expansion projects, which are expected to be revenue additive to the system.

While we expect CFX's financial metrics to decline from current robust levels, metrics will remain strong given the continued traffic and revenue growth and the authority's proactive management in the implementation of its large work plan to deal with increasing demand.

Exhibit 1
DSCR is expected to decline, but to remain strong above 2.0x



Sources: Moody's Ratings, Company filings and CDM Smith

Credit strengths

» Strong traffic and revenue performance supported by population and economic growth in the service area

» Increasingly diverse service area economy that is forecast to continue to grow and generate additional traffic

» Limited competition from non-tolled roads

» Effective toll policy with rate increases linked to CPI with a floor of 1.5%

Credit challenges

- » Continued pressure to move forward with system expansion projects given growing demand
- » Implementation of $4.5 billion 5-year work plan will result in liquidity decline and require an estimated $2.7 billion in additional debt through 2031

Rating outlook

The stable outlook reflects our expectation that traffic and revenue will continue to grow given the expansion of the service area economy and the implementation of toll rate increases. It also incorporates our expectation that CFX will continue to implement its large work plan to deal with this increased demand in a prudent manner in order to still keep strong metrics, including total DSCR above 2.0x

Factors that could lead to upgrade

- » Total DSCR levels, inclusive of both senior and junior lien debt service, above 3.0x on a sustained basis
- » Adjusted debt to operating revenue ratio below 4.0x, while maintaining at least 730 days cash on hand

Factors that could lead to downgrade

- » Traffic and revenue growth consistently below projections
- » Total DSCR levels, inclusive of both senior and junior lien debt service, below 2.0x on a sustained basis
- » Greater capital needs that result in significantly higher than CFX's expected increase in leverage or decline in liquidity

Key indicators

Exhibit 2
Central Florida Expressway Authority, FL

	2021	2022	2023	2024	2025
Total Transactions Annual Growth (%)	2.7%	18.1%	-0.2%	11.5%	1.5%
Debt Outstanding (in $ thousands)	3,287,242	3,165,474	3,078,683	2,985,110	2,998,452
Adjusted Debt to Operating Revenues (x)	6.6x	5.2x	4.8x	4.2x	4.0x
Days Cash on Hand	2,021	1,435	1,431	1,051	1,088
Senior Lien Debt Service Coverage By Net Revenues (x)	1.9x	2.5x	2.6x	3.1x	3.0x
Total Debt Service Coverage By Net Revenues (x)	1.9x	2.3x	2.5x	2.9x	2.8x

Sources: Company filings and Moody's Ratings

Profile

The authority was established in 1963 and operates and maintains an integrated system of seven expressway toll roads spanning 125 miles of roadway in and around the City of Orlando. The CFX system also connects with the two other limited access roadways in the area, I-4 and Florida's Turnpike.

CFX is an independent special district established by the Florida Legislature. On June 20, 2014, the governor of Florida signed the bill to create CFX, which assumed the governance and control of the former Orlando-Orange County Expressway Authority, including its assets, personnel, contracts, obligations, liabilities, facilities and tangible and intangible property. CFX is responsible for the construction, maintenance and operation of toll roads in Seminole, Lake, Osceola, Orange and Brevard Counties, and may also acquire, construct and equip rapid transit, trams and fixed guideways within the rights-of-way of the expressway system. The CFX board is made up of ten members, consisting of: one member each appointed by the respective chairs of the county commissions of Lake, Orange, Osceola, Seminole and Brevard Counties; three citizens appointed by the Governor; the Mayor of Orange County; and the Mayor of the City of Orlando. The Florida Turnpike Enterprise Executive Director serves as a non-voting advisor.

Detailed credit considerations

Market Position

The growing service territory will continue to support CFX's strong traffic and revenue performance. CFX operates an integrated system of seven expressway toll roads in the greater Orlando area. Other high-speed highways in the service area, such as I-4 and sections of the Florida Department of Transportation's turnpike system (FDOT Turnpike, Aa2 stable) complement, rather than compete, with the authority's network.

According to Moody's, as of February 2026, Orlando-Kissimmee-Sanford's economy is beginning to slip. Nonfarm payrolls have shed workers in six of the last seven months, the worst stretch for employment growth since the Global Financial Crisis. The key tourism-dependent sectors are hurting, and employment in leisure/hospitality and retail is falling. With the labor market softening, the unemployment rate has surged higher, topping 4% for the first time since late 2021. Orlando-Kissimmee-Sanford's economy will face growing headwinds next year. Tourism will slow, and risks are tilted to the downside, but strong population growth and a resilient tech sector will prevent a downturn. Longer term, robust population growth will support one of the strongest outlooks among metro areas in the country.

Direct competition is limited to local roads which are generally congested during peak commuting times and have multiple traffic lights. The rail service from Brightline operating from Miami to Orlando started in September 2023 and there has been no major impact from it to date and we do not expect any to develop given the different areas of service.

Performance trends

The authority has performed well in regard to both traffic and revenue. The latter is impacted by continued strong traffic performance coupled with toll rate increases. Fiscal year ended June 30, 2025 traffic and toll revenues are 1.5% and 5.5% above 2024 levels, respectively. Unaudited data shows that YTD April 2026 traffic and revenue were 3.8% and 1.8% above 2025 levels, respectively. Of note, the board voted to set the fiscal 2024 toll rate increase at 1.5% instead of CPI, which is a deviation from its track record, however this was a one-off action and the 4.497% and 2.957% CPI-indexed toll rate increase were implemented in fiscal 2025 and fiscal 2026 respectively, as per CFX's toll policy. Further adjustments are estimated to be 2.231% and 2.1% in fiscal 2027 and 2028. Per this policy, each year beginning in fiscal 2019, toll rates for electronic toll collection (ETC) customers will increase by the greater of CPI or 1.5% rounded to the penny, and the cash rate will be increased by a quarter when it gets to be within 10% of the ETC rate. As of September 30, 2025, CFX no longer accepts cash at toll booths.

With the sunset of the state sponsored toll relief program (Toll Relief Program), CFX reimplemented its E-PASS Volume Savings Program in April 2025, ceasing the benefit CFX's financial performance had from absence of discounts provided by the authority. CFX's E-PASS Volume Savings Program can result in a discount up to 25% per month for eligible frequent users. According to management, no customer issues have been reported since the sunset of the Toll Relief Program, which may be due to the reimplementation of the E-PASS Volume Savings Program.

Historically, CFX has been impacted by natural disasters such as hurricanes, resulting in periods of suspended tolls. The most recent suspension occurred in October 2024 during Hurricane Milton when the governor suspended all CFX roadways to help with evacuations, this suspension lasted 12 days and operations losses were calculated to be $22 million. While the toll revenue losses could not be recovered from business interruption insurance, as it does not cover voluntary toll suspensions, CFX has a robust liquidity position that mitigated the revenue loss from the toll suspensions. Physical damage to its facilities is usually nonexistent or very minor and repairs are covered in the routine maintenance budget.

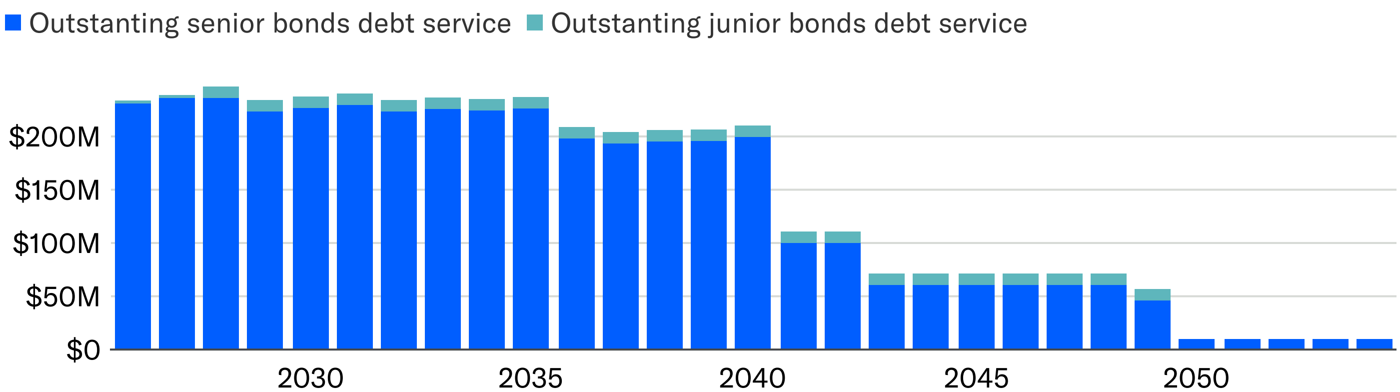
Leverage and coverage

Total DSCR levels, inclusive of both senior and junior lien debt service, remained strong in 2025 and are forecasted to decline and average around 2.2x in the medium term under a reasonably conservative traffic and revenue growth case scenario through fiscal 2031. The scenario includes the anticipated issuance of $2.7 billion in additional parity senior lien debt through 2031 to fund the authority's adopted $4.5 billion 5-year work plan.

Leverage measured by adjusted debt to operating revenue improved to 3.97x in fiscal 2025 from 4.18x in fiscal 2024, as operating revenue increased. However, starting in fiscal 2026, leverage metrics will increase as CFX moves forward with its plan to issue debt to fund its capital work plan. The authority had approximately $2.8 billion in senior lien debt outstanding, in addition to roughly $211 million in Series 2012A and TIFIA loan junior lien debt outstanding as of June 2025. It currently has approximately $2.7 billion in senior lien debt outstanding and $202.9 million in TIFIA junior lien debt outstanding.

Of the existing debt outstanding, annual debt service remains relatively flat through 2040 then declines through final maturity in 2054. This debt service schedule does not include the $2.7 billion additional debt planned to fund the authority's five-year capital work plan, however it shows that there is capacity to have this additional debt layered in without major impact in the debt service level especially in the medium to long term as per the exhibit 3 below.

Exhibit 3
Current debt service profile

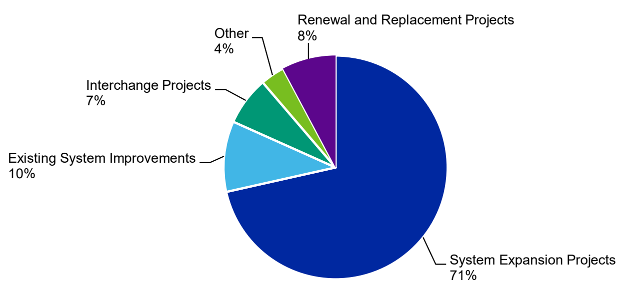


Source: Company filings

Capital plan

The current $4.5 billion five-year capital work plan covers fiscal 2027 through 2031 and includes $3.2 billion in expansion projects; $456 million in existing system improvements; $314 million for interchange projects and $347 million for renewal and replacement projects (see exhibit 4 below). The authority plans to issue $2.7 billion of additional senior lien bonds through 2031 to fund its capital work plan.

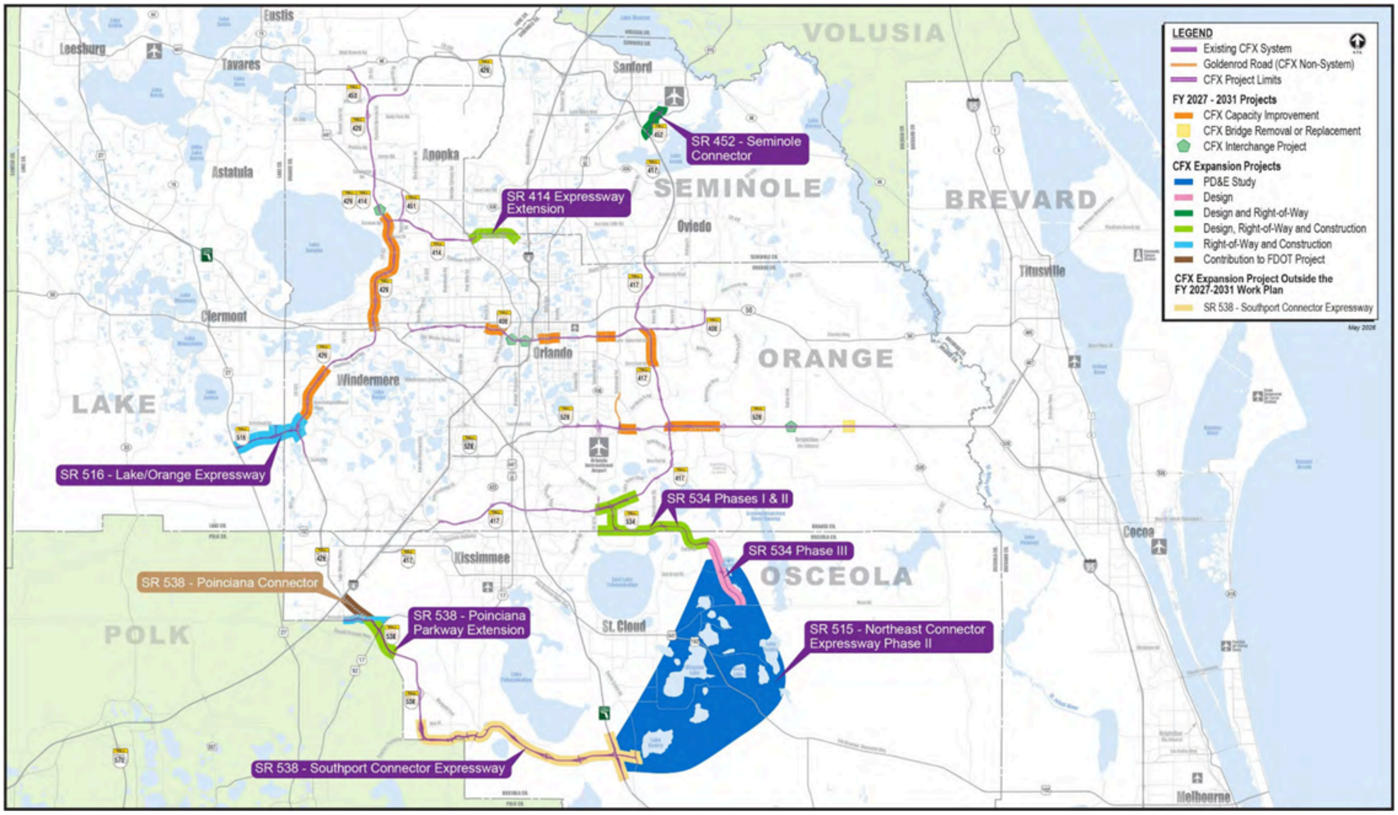
Exhibit 4
5-year work plan consists mainly of existing system expansion projects and improvements
FY2027 - FY2031



Source: Company filings

Among the projects from this 5-year work plan, the main one is the system expansion project SR 516 Lake Orange Expressway, connecting U.S. 27 to the SR 429 Western Beltway/Wekiva Parkway. The total project is expect to cost about $445 million and construction started in April 2024 and is expected to be finalized by summer 2027. Other system expansion projects which are going to be partially constructed during the 5-year work plan include: SR 538 Poinciana Parkway Extension and CR 532 Widening and SR 534 Phases I, II and III.

Exhibit 5
5-year Work Plan FY2027 - FY2031
Major Projects Map



Source: Company Filings

Liquidity

CFX has maintained a robust liquidity position, however we anticipate the authority will see a decline in days cash on hand (DCOH) due to the use of cash to fund capital projects. Even as it moves forward with the implementation of its work program, we expect the authority will maintain its liquidity around 700 DCOH on average over the projected period. In fiscal 2025, the authority had liquidity of roughly $437 million of unrestricted and discretionary reserves, equivalent to 1,088 DCOH.

Derivatives

None.

Pensions and OPEB

Authority employees participate in the State of Florida Retirement System (FRS), a public employee defined benefit pension plan. Pursuant to GASB 68, as of June 30, 2025, the authority reported a pension liability of $12.37 million for its proportionate share of the state's net pension liability for FRS. Moody's calculates an adjusted net pension liability (ANPL) at $20.73 million, which is small relative to the amount of debt outstanding and manageable.

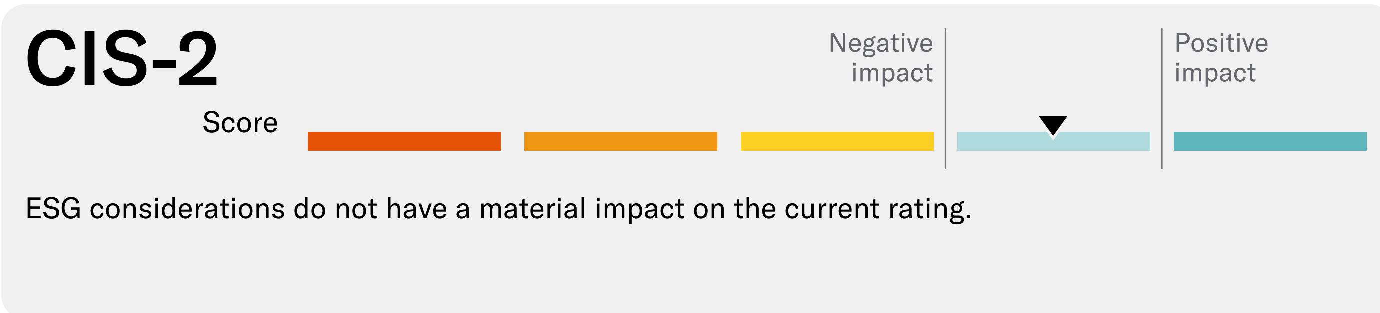
We adjust the reported pension liabilities of entities that report under governmental accounting standards, to enhance comparability across rated issuers. Under governmental pension accounting, liabilities are discounted using an assumed rate of investment return on plan assets. Under our adjustments, we value liabilities using a market based discount rate for high quality taxable bonds, a proxy for the risk of pension benefits.

ESG considerations

Central Florida Expressway Authority, FL's ESG credit impact score is CIS-2

Exhibit 6

ESG credit impact score

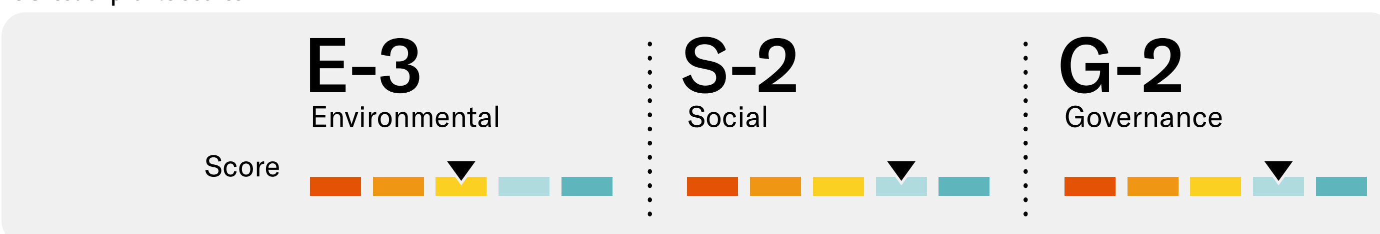


Source: Moody's Ratings

Central Florida Expressway Authority, FL (CFX)'s ESG credit impact score of **CIS-2** indicates that ESG considerations are not material the rating. The score reflects exposure to environmental risks, however exposure to social and governance risks is limited.

Exhibit 7

ESG issuer profile scores



Source: Moody's Ratings

Environmental

CFX's **E-3** issuer profile score reflects its operations as a single asset with increasing exposure to physical climate risks like hurricanes. The increasing use of electric or hybrid vehicles still require the use of the roadways, limiting exposure to carbon transition risks impacts on traffic and revenue. While roadway materials are carbon intensive (i.e., concrete and asphalt), wide use of sustainable alternatives have yet to become widely and affordably available and there has yet to be a rise in political or social pressure to decarbonize construction materials to date.

Social

CFX's **S-2** issuer profile score reflects limited exposure to social risks. Limited credit exposure to customer relations reflects a sound toll rate based on a toll policy adopted by the CFX board in February 2017. Per this policy, each year beginning in fiscal 2019, toll rates for electronic toll collection (ETC) customers will increase by the greater of CPI or 1.5% rounded to the penny, and the cash rate will be increased by a quarter when it gets to be within 10% of the ETC rate. Of note, as part of the fiscal 2024 budget process, the CFX Board decided to amend the toll policy for fiscal 2024 to forgo the 8.6% CPI increase and instead adjust tolls by the 1.5% floor. However, this was a one-off action, and the 4.497% and 2.957% CPI-indexed toll rate increase was implemented in fiscal 2025 and fiscal 2026, respectively, as per CFX's toll policy.

Governance

CFX's **G-2** issuer profile score reflects limited exposure to governance risk given that the board structure is diversified and independent. The CFX board is made up of ten members, consisting of: one member each appointed by the respective chairs of the county commissions of Lake, Orange, Osceola, Seminole and Brevard Counties; three citizens appointed by the Governor; the Mayor of Orange County; and the Mayor of the City of Orlando. The Florida Turnpike Enterprise Executive Director serves as a non-voting advisor.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Methodology and scorecard

The scorecard indicated outcome is one notch higher than the Aa3 rating assigned to the senior lien bonds. The rating incorporates other factors such as narrowing metrics and construction risks related to the authority's large 5-year capital improvement plan.

The scorecard is a reference tool that can be used to approximate credit profiles for Publicly Managed Toll Roads in most cases. However, the scorecard is a summary that does not include every rating consideration. Please see the Publicly Managed Toll Roads and Parking Facilities Methodology published in May 2023 for more information about the limitations inherent to grid.

Exhibit 8

Rating factors

Central Florida Expressway Authority, FL

Factor	Subfactor	Score	Metric
1. Market Position	a) Asset Type	Aa	
	b) Competitive Position and Environment	A	
	c) Economic Strength and Diversity of Service Area	Aa	
2. Performance Trends	a) Annual Revenue	Aaa	760.4
	b) Operating Track Record and Revenue Stability	Aaa	
	c) Ability and Willingness to Increase Toll Rates	Aa	
3. Financial Metrics	a) Debt Service Coverage Ratio	Aa	2.8x
	b) (Debt + ANPL) to Operating Revenue	A	4.0x
Preliminary Grid Indicated Outcome Before Notching		Aa2	
Notching Considerations		Notch	
	1 - Debt Service Reserve Fund level	0	
	2 - Open/Closed Flow of Funds	0	
	3 - Days Cash on Hand	1	1,088
	4 - Asset Ownership and Financing Structure	0	
	5 - Leverage Outlook	-0.5	
Scorecard Indicated Outcome:		Aa2	

Source: Moody's Ratings

REPORT NUMBER 1488026

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