Dallas-Fort Worth International Airport (DFW), Texas

Ratings

New Issues

$399,525,000 Joint Revenue Refunding Bonds Series 2020A	A+
$480,535,000 Joint Revenue Refunding Bonds Series 2020B	A+

Outstanding Debt

$6,057,875,000 Joint Revenue Bonds	A+

Note: Not rated $432.8 million Joint Revenue Bonds Series 2016 and 2017A, direct placement.

Rating Outlook

Negative

Peer Group

Chicago O'Hare International Airport	A
Miami International Airport	A

Applicable Criteria

Airports Rating Criteria (March 2020)

Infrastructure and Project Finance Rating Criteria (March 2020)

Related Research

Fitch Rates Dallas-Fort Worth Airport, TX's Joint Rev Bonds 'A+'; Outlook Negative (June 2020)

Coronavirus Stress Testing: U.S. International Gateway and Primary Hub Airports (Franchise Strength and Liquidity Offset Downside Stresses, Terminal Projects More Exposed) (June 2020)

Peer Review of U.S. Airports (Attribute Assessments, Metrics and Ratings) (November 2019)

Key Rating Drivers

The rating reflects Dallas-Fort Worth International Airport's (DFW) underlying favorable revenue risk profile anchored by an expanding regional economy and the presence of a committed primary hub from American Airlines Group, Inc. (B/Rating Watch Negative).

Fitch Ratings notes DFW is facing challenges due to the coronavirus pandemic but the airport is likely to preserve a sustainable fiscal profile as a result of ongoing management actions on revenues and costs and DFW's liquidity position, bolstered by federal assistance grant funds.

The capital program for facilities, with some deferrals expected, should enable medium-term leverage to remain near current levels, while keeping airline costs competitive compared with other major U.S. hubs. The Negative Outlook reflects the substantial adverse effects on operating performance due to the coronavirus pandemic and related containment measures, along with uncertainty around the timing and magnitude of recovery.

Sizable Traffic Base with Concentration (Revenue: Volume Risk — Stronger): DFW is the primary regional airport with a current base of 36.6 million total enplanements, of which more than 15 million are categorized as origination and destination (O&D). The coronavirus pandemic is expected to change the traffic base for at least the next several years. American accounts for 85% of total enplanements but the carrier's presence has been expanding in recent years and has retained more services at DFW when compared with other key hubs and focus city markets.

Strong Rate Setting Mechanism (Revenue Price Risk — Stronger): The airline use agreement (AUL), under a short-term extension through fiscal 2021, allows for timely recovery of costs within all airline cost centers. The agreement also provides for adequate cash flow generation to meet all funding requirements. Airline costs are currently moderate for a large-hub airport, at under $13 per enplaned passenger. However, management is currently utilizing rent deferrals and Coronavirus Aid, Relief and Economic Security (CARES) Act funds to manage airline payments in the near term.

Large Capital Plan with Borrowings (Infrastructure Renewal and Development — Midrange): DFW's capital plan exceeds $2 billion and will focus on terminal, airfield and other core infrastructure needs over the next decade. Previous proposed projects with a budget of more than $4 billion to build a terminal and redevelop a second facility are on hold until more normalized operations resume and an AUL is renewed with project pre-approvals. The core capex funding plan includes a mix of future borrowings of $700 million over the next two years.

Conservative Debt Structure (Debt Structure — Stronger): All of DFW's long-term debt is issued in fixed-rate mode with generally conservative debt amortization. Bond covenants and reserves are viewed as standard for a large-hub airport. The airport took steps in recent years to amortize debt on a more accelerated schedule, providing flexibility for phasing in future borrowings as capital programs progress. DFW introduced a CP note program in 2019 to be used for interim new money capital needs.

The pandemic and related government containment measures worldwide create an uncertain global environment for the airport sector. Material changes in revenue and cost profile are occurring across the sector and will continue to evolve as economic activity and government restrictions respond to the ongoing situation.

Our ratings are forward-looking in nature and Fitch will monitor developments in the sector as a result of the virus outbreak as it relates to severity and duration. We will incorporate revised base and rating case qualitative and quantitative inputs based on expectations for future performance and assessment of key risks.

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Financial Summary

Debt coverage and liquidity metrics were stable in recent years and will show some shifts as the pandemic-related traffic decline recovers over the next several years. Fitch believes key credit metrics should remain healthy for the next several years through prudent management oversight.

Debt coverage was 1.42x combined, in fiscal 2019, including the use of rollover coverage funds, supplemented with a strong level of unencumbered reserves and 723 days cash on hand (DCOH). Airport leverage of 8.5x is not considered elevated for a large-hub airport and steadily declined from prior years. Under our rating and coronavirus downside cases, sustained leverage is expected to remain stable through 2024.

Peer Group

DFW's peers include other major-hub airports with similar markets and elevated leverage characteristics of approximately 12.0x–13.0x, such as Chicago O'Hare International Airport (ORD; A/Negative) and Miami International Airport (MIA; A/Negative). DFW has similar coverage levels to MIA averaging about 1.5x but stronger liquidity metrics and lower airline costs. Fitch expects MIA's future capital needs to be lower in scale, relative to both DFW and ORD and; therefore, airline costs will not face upward pressures over the next decade.

Rating Sensitivities

Factors That Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- A positive rating action is not expected in the near future given uncertainty regarding recovery.
- A return to a Stable Outlook and affirmed ratings could be possible in the next one to two years if Fitch sees sustained recovery in traffic and revenues due to the easing of the pandemic, resulting in normal air traffic patterns and credit metrics in line with indicative guidance.

Factors That Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- A continued period of material traffic declines in line with the downside cases resulting in leverage increasing to, and remaining above, 10.0x on a sustained basis.
- Future changes to airline rate-setting that weaken overall cost recovery mechanisms.

Enterprise Summary

Enterprise Summary Data		Financial Summary Data	
Project Type	Airport	Rated Debt Terms	$6.06 billion total long-term debt. $5.63 billion Fitch-rated. $750 million CP authorization.
Project Location	Dallas-Fort Worth, TX	Amortization Profile	Fully amortizing.
Status	Operational	Liquidity Provider	N.A.
Revenue Basis	Volume	Reserves	DSRF: A reserve will be maintained in an amount equal to the least of the average ADS. The existing DSRF balance is approximately $318 million.
Operator	Self-Operated	Triggers – Rate Covenant	Rates set to produce net revenues that will meet 125% annual debt for parity senior bonds and 100% ADS for any subordinate bond requirements. Transfers may be used to meet these coverage levels.
		Additional Bonds Test	Additional parity bonds may be issued subject to meeting either a historical, or any 12 consecutive months of the past 18 months, or projected, up to the third fiscal year after issuance, using the same coverage ratios as the rate covenant at each lien level.

N.A. – Not applicable. DSRF – Debt service reserve fund. ADS – Annual debt service.
Source: Fitch Ratings, Dallas-Fort Worth International Airport.

Overview

DFW is jointly owned by the cities of Dallas and Fort Worth under a contract and agreement dated and effective April 15, 1968. The airport is governed by an 11-member board consisting of seven members from Dallas and four members from Fort Worth appointed by their respective city councils. The mayors of both cities sit on the board. One nonvoting member of the board is appointed by the cities of Coppell; Euless; Grapevine; and Irving, TX on a rotating basis. The board is authorized to plan, acquire, establish, develop, construct, maintain, equip, operate, lease, regulate and police the airport on behalf of the cities, and its operations are overseen by the board-appointed CEO and staff.

DFW is the principal air carrier serving the north central region of Texas and the Dallas-Fort Worth metropolitan area. The airport is centrally located in the continental U.S. and is within the distance of a four-hour flight of 95% of the U.S. population. The primary service region includes the 9,500 sqm, 12-county Dallas-Fort Worth consolidated MSA. Although owned by the cities of Dallas and Fort Worth, the airport sits within the city limits of Coppell, Euless, Fort Worth, Grapevine and Irving, within Dallas and Tarrant counties.

Opened in 1974, DFW is equidistant to Dallas and Fort Worth on an approximately 17,000 acre site. The overall airport infrastructure serves both passenger traffic and other aviation-related operations. DFW currently has seven runways, six are parallel to allow simultaneous takeoff and landings, and 164 boarding gates across five terminals. These facilities enable DFW to be the third-busiest airport in terms of operations, based on daily departures. American uses most of the terminals to service its flights and constitutes most aircraft operations, although many other U.S. and foreign-flag carriers operate at DFW. The airfield consists of seven air carrier runways and related taxiways and hold pads.

Other facilities include a central rental car facility; public and employee parking lots; multiple hotels, including two adjacent to passenger terminals; and a 35 acre fuel farm. The elevated Skylink people mover system, which opened in 2005, is used to transport passengers and employees between terminals on the secure side of the terminal. Given the strategic location and growth in employment, commercial development is an area of potential growth.

Project Analysis

Revenue Risk — Volume

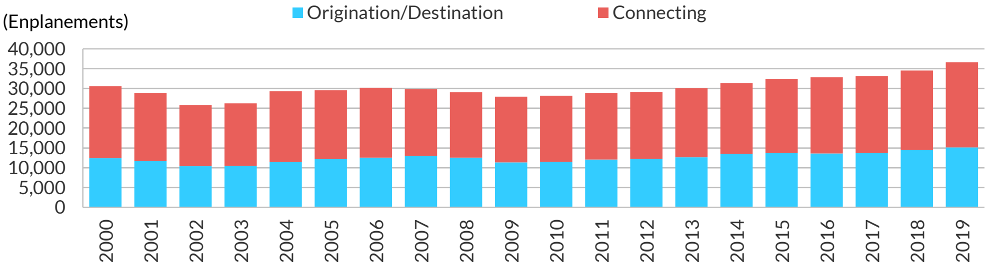
Historical Enplanement Trends and Airline Activity

In Fitch's view, DFW demonstrates a high-level of franchise strength through its role to serve the regional aviation demand, its key role as a primary connecting hub and an expanding international presence for air service. DFW ranks as one of the largest airports in the world by passenger levels and aircraft operations. The airport ranked as the third-busiest in the U.S. in 2019 in terms of operations and had a passenger traffic base of 36.6 million enplanements in the prior fiscal year. Given the hubbing operations, O&D enplanements represent 41.3% of the total traffic base, but are still a sizable 15.1 million enplaned passengers.

The airport captures a dominant market share for all air passengers in the DFW air trade service area, including nearly all international enplaned passengers. Nearby Dallas Love Field had its longstanding Wright Amendment restrictions lifted several years ago, allowing Love Field's enplanements to grow to nearly double in traffic. Southwest Airlines Co. (BBB+/Negative) uses Love Field exclusively for all its regional passengers. This change to the competitive landscape did not result in adverse traffic changes to DFW and gate limitations at Love Field will preclude any material levels of future growth.

DFW's overall traffic grew by a healthy 3.1% CAGR over the past five years, with a slightly higher increase observed for connecting traffic. Growth in international passengers was stronger relative to domestic trends over the past five years. International enplaned passengers currently compose almost 13% of total passengers and have grown almost 17% since 2015. DFW nonstop destinations total 259, including 67 international locations.

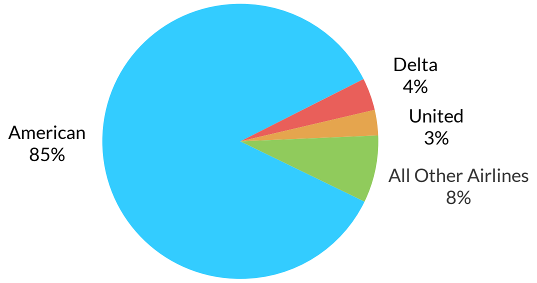
Historical Origination/Destination and Connecting Enplanements
(As of FYE September 30)



Source: Dallas-Fort Worth International Airport.

American is the dominant carrier at DFW and consistently represented about 85% of total passengers. Very few airports, even those with hubbing services, have this level of single-carrier concentration. DFW faces exposure to American's networking decisions. However, trends observed over the past decade indicate American's expanding level of services at DFW, a demonstration of the carrier's strong preference to support the DFW hub.

Dallas-Fort Worth International Airport Carrier Market Share
(Fiscal 2019)



Source: Dallas-Fort Worth International Airport.

American Airlines Group, Inc.: Credit Profile

American was downgraded to 'B+' with a Negative Outlook on March 20 and again on April 10 to 'B' with a RWN. Fitch expects the carrier will have sufficient liquidity and access to capital to manage through the year. However, significant additional borrowing and the likelihood of a slow recovery make it likely credit metrics will remain well outside of our pre-coronavirus expectations at least through 2021 or 2022. The company also has material debt payments this year and next, making a rebound in demand and continued access to capital markets essential.

American is rated lower than its major network competitors, Delta Air Lines (BB+/Negative) and United Airlines Holdings, Inc. (BB–/Negative), primarily due to the company's more aggressive financial policies. American's debt balance increased substantially since its exit from bankruptcy and merger with US Airways Inc. in 2013, as it spent heavily on fleet renewal and share repurchases. As such, American's adjusted leverage metrics are at the high end of its peer group.

Coronavirus Effects on DFW's Enplanement Levels

Similar to most airports in the U.S. and globally, DFW experienced an abrupt reduction in passenger traffic and operations at a level not seen in past times of either economic cycles or shock events such as pandemics and terrorism. During the initial five months of fiscal 2020, through February, DFW was already demonstrating rapid growth evidenced by a 9% and 8% growth rate in passengers and operations, respectively, over the same period in fiscal 2019. During the months of March and April, total passengers fell by 45% and 92%, respectively, and traffic for the fiscal period through May is showing a 24% comparable reduction yoy to 2019.

Data from the airport indicates an initial recovery stronger than at peer hub airports, as American consolidated more passengers through the DFW facility. Daily passenger counts are currently above 70,000/day, compared with a low of 10,000/day to15,000/day. Pre-coronavirus traffic on average exceeded 200,000/day. While airline schedules into July suggest a higher level of operations at DFW, there is considerable uncertainty regarding the return of travel as infection rates are not trending lower in a number of markets in recent weeks. Our rating and downside cases below are the current set of assumptions we applied to develop these financial projections. Refinements may be needed as more data on traffic or travel restrictions emerge in the coming months.

Revenue Risk — Price

In Fitch's view, DFW operates under an AUL with air carriers, which have a cost-recovery framework to provide stable operating performance, while also addressing the issue of a rising cost profile associated with past and planned capital programs. The airline agreement began in October 2010, starting with fiscal 2011, and extends for 10 years. When the AUL went into effect, it replaced a relatively long, full-airport residual agreement dating back to the early years of the airport's operations.

The current rate-setting framework includes two airline cost centers for the airfield and terminals using a cost-recovery approach. A third cost center called the DFW Cost Center captures the airport revenues primarily from various commercial business units, such as parking, concessions, rental cars and commercial/land development. Financial mechanisms in the agreement allow net revenues from the DFW Cost Center to be deposited into the airport's capital account for discretionary capital spending, and for additional amounts to be applied to offset airline payments.

The latter component is dependent on upper and lower thresholds for DFW Cost Center net revenues, enabling the airport to sustain total operating revenues that can generate sufficient coverage levels for debt service. In most years since the airline agreement was employed, the debt service coverage (DSC) levels, exclusive of coverage account transfers, were stable at near 1.20x.

Airline cost per enplaned passenger (CPE) was $12.95 in fiscal 2019 and CPE rose steadily in the past three years from $9.50 in fiscal 2016. Fitch expects near-term CPE to be volatile due to enplanement losses and recovery over the next several years. Management's decisions to date regarding use of CARES Act funds and deferment of some airline payments are solutions to maintain some level of stability for airline fees. Further, a renegotiated AUL will also influence this metric should there be adjustments to the cost recovery terms.

Infrastructure Development and Renewal

Over the past decade, DFW's infrastructure saw significant investments, particularly at the terminal facilities under the terminal renewal and improvement program (TRIP). DFW demonstrated a solid history of executing on its capital plans, while controlling costs at budgeted levels. The airport has nearly completed its multiyear TRIP plan, with an updated overall cost of approximately $2.3 billion at three existing terminals built in the 1970s.

The airport's Terminal C facility is currently not part of the TRIP construction budget and, given the pandemic environment, this project, while in design phase, will likely be deferred in terms of major construction works for several years. The plans to build a sixth terminal, Terminal F, at a budget of about $3 billion, will be delayed until the travel environment improves and the airport executes a refreshed AUL with the leading carriers, as the current agreement expires in 2021 under a one-year extension.

DFW's updated capital improvement program (CIP), taking into account the projects deferred as described above, is moderate for a large-hub airport, and currently estimated at $2 billion in the next 10 years. Key projects include runway/taxiway upgrades and extensions, existing terminal projects to additional gates and reconstruction works, and baggage system improvements.

Fitch expects debt borrowings to cover approximately half of total program costs but the duration of the pandemic is likely to influence project timing and funding options. Portions of net cash flow from the DFW Cost Center are typically used for pay-go funding. However, total airport debt levels should trend stable to slightly higher, relative to the outstanding $6.1 billion balance, as accelerated debt amortization will offset a portion of future borrowings.

Debt Structure

Fitch views DFW's debt profile as conservative, based on security provisions, covenants and reserve requirements. All of the airport's long-term debt is issued on a senior-lien level and consists of fixed-rate amortizing obligations, with maturities on outstanding debt stretching as far out as 2050. The joint revenue bonds benefit from debt service reserve funds (DSRF) funded at average annual debt service (ADS). The current balance is approximately $318 million, or about 65% of the maximum ADS.

Even though DFW already operates under a straightforward capital structure, it still maintains the flexibility to manage its debt profile, as approximately $2.1 billion of outstanding debt is callable over the next three years. DFW also utilizes a CP program, with a total of $750 million under authorization, for interim funding of capex. As there are no third-party liquidity facilities to support the notes, DFW will need ongoing self-assessment of note draws to be well within unencumbered cash and reserves.

Financial Analysis

Historical Performance

Fitch views the pledged current gross revenues of $1.08 billion as well balanced between airline payments of 48%, terminal concessions of 8.5%, parking/ground transportation of 19.3%, and other operating and non-operating revenues at 10% in fiscal 2019. Separately, DFW applied more than $145 million in passenger facility charge (PFC) revenues to senior-lien debt service payments in fiscal 2019. Airline revenues grew at a 13.2% CAGR over the past five years, reflecting the rate agreement mechanisms and airport traffic growth. Airline costs trend nominally upward, at a $12.95 level in fiscal 2019, but remain competitive for a large-hub international gateway airport.

Terminal concession revenues also rose at a healthy 6.5% average since 2014. Auto parking and ground transportation compose nearly half the receipts in this non-aeronautical category. In past years, before the coronavirus pandemic affected operations, these revenues were instrumental to the airport's stable DSC levels and unrestricted fund balances.

On a historical basis, operating expenses appear to be reasonably controlled taking into consideration the growth in traffic and ongoing maintenance investments, with average growth of 5.8% per annum since 2014. Based on the AUL framework, DFW's recent coverage of total debt service was steady, averaging about 1.40x–1.45x on a bond resolution basis, and just below 1.20x using hard coverage.

The airport's balance sheet indicates both an elevated debt burden but mitigated, in part, by a strong cash position. DFW's long-term debt was nearly $6.3 billion, as of fiscal 2019, a relatively stable level over the past several years as borrowings to fund the airport's TRIP program eased.

With total enplanements rising by just over 10% during this period, the debt per total enplanement metric is trending modestly lower to the current level of $171 from $194 in fiscal 2016. Airport leverage, defined as net cash flow available for debt service, was 8.5x in fiscal 2019. Prior to 2017, the leverage ratio was exceeding 10.0x in conjunction with the TRIP-related bond issues.

Airport leverage evolved downward as airline charges were raised in the past three years and is likely to remain more stable at under 9.0x on a sustained basis, even under Fitch's updated coronavirus rating case. Airport cash balances are robust, with almost $990 million in unencumbered reserves, translating to 723 DCOH. The airport improved its cash reserves in each of the past five years.

Coronavirus Effects on DFW's Finances

To address the activity reductions across all areas of operations, including flight operations, parking, car rentals and concession spending, among others, DFW management took a number of prudent measures. This will affect revenues for the current fiscal year but is intended to preserve a stable debt coverage level. Key actions include airline payment deferrals over certain months and waiving minimum annual guarantees to concessionaires and rental car operators. While defensive measures were also targeted to reduce committed operating and capital costs, the infusion of CARES Act federal grants, totaling $299.2 million, is expected to provide a key component of fiscal support to mitigate deferred and permanent revenue losses.

Separate from reviewing the cash flow effects anticipated by the pandemic and measures taken by management to date, Fitch assessed DFW's liquidity coverage ratio. This reflects total available liquidity and considers both DSRF and other unencumbered or unrestricted cash and reserves, relative to the size of debt payments maturing in the next 12 months. The ratio is calculated at approximately 2.6x, a level near the median for peer international gateway airports and primary hubs. When adding CARES Act funding of $299.2 million, the liquidity metric improves marginally above 3.0x.

Historical Financials: Dallas-Fort Worth International Airport

	Actual				
($000, FYE September 30)	**2015**	**2016**	**2017**	**2018**	**2019**
Operating Revenue					
Airline Revenue	324,530	360,406	418,319	494,962	523,666
Concession Revenue	66,290	71,103	79,570	84,311	91,823
Parking/Ground Transportation	173,651	187,450	193,239	199,929	209,094
Other Operating Revenue	90,157	104,141	102,232	106,727	114,375
PFC Revenue	123,692	130,447	139,986	129,017	145,855
Total Gross Current Revenue	**778,320**	**853,547**	**933,346**	**1,014,946**	**1,084,813**
Operating and Maintenance Expenses	**392,105**	**416,694**	**438,192**	**438,192**	**438,192**
Net Revenue	**386,215**	**436,853**	**495,154**	**550,865**	**585,178**
Coverage Account and Transfers	**90,500**	**88,261**	**107,764**	**116,837**	**124,976**
Debt Service Requirements	**314,030**	**359,940**	**415,056**	**467,348**	**499,905**
Coverage Ratios (x)					
DSCR from Current Revenue	**1.23**	**1.21**	**1.19**	**1.18**	**1.17**
DSCR from Current Revenue and Transfers	**1.52**	**1.46**	**1.45**	**1.43**	**1.42**
Enplanements (000)	**32,455**	**32,837**	**33,131**	**34,512**	**36,600**
Percent Change (%)	**3.3**	**1.2**	**0.9**	**4.2**	**6.1**
O&D Enplanements	**13,500**	**13,600**	**13,700**	**14,490**	**15,100**
Connecting Enplanements	**17,919**	**19,237**	**19,431**	**20,022**	**21,490**
Dallas-Fort Worth Cost per Enplanement ($)	**8.75**	**9.50**	**11.28**	**12.90**	**12.95**
Net Debt/CFADS (x)	13.4	12.0	10.3	9.5	8.5
Days Cash on Hand	**694**	**714**	**715**	**682**	**723**

PFC – Passenger facility charge. DSCR – Debt service coverage ratio. O&D – Origination and destination. CFADS – Cash flow available for debt service.
Source: Dallas-Fort Worth International Airport.

Fitch Cases

Fitch developed three scenarios serving as the basis for this review. Our rating case contemplates enplanement declines of 45% in fiscal year Sept. 30, 2020, relative to 2019, with a recovery of 80% in 2021, 90% in 2022 and 100% in 2023 and 2024, relative to 2019. Fitch also modeled two additional coronavirus downside cases to reflect deeper traffic declines and prolonged recovery back to 2019 levels. See the table *Enplanement Case Assumptions* and *Fitch Updates Coronavirus Scenarios for U.S. Airports Portfolio*.

Enplanement Case Assumptions

(Enplanements % Change)	Quarter by Quarter Assumptions (Relative to 2019)					Sept. 30, Fiscal-Year Assumptions (Relative to 2019)				
	1Q20	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2020**	**2021**	**2022**	**2023**	**2024**
Coronavirus Rating Case	(15)	(90)	(60)	(30)	(15)	(40)	(20)	(10)	0	0
Coronavirus Downside	(15)	(90)	(75)	(60)	(30)	(45)	(30)	(10)	0	0
Coronavirus Severe Downside	(15)	(90)	(75)	(60)	(30)	(45)	(30)	(16)	(13)	(3)

Source: Fitch Ratings.

Our rating case assumes, relative to fiscal 2019, a 40% enplanement decline in 2020 followed by recoveries reversing the losses to 20% and 10% in fiscal 2021 and 2022, respectively, and a full recovery by fiscal 2023. Airline payments, such as landing fees and terminal rents, are viewed to be more protected to ongoing volume shifts. These payments are closely tied to cost recovery mechanisms within contracted AULs, although Fitch made adjustments to reflect management's expectations to use CARES Act funds over the current and next fiscal year.

Most non-airline revenues and PFCs were tied to the same percentage changes as enplanements in each year, although Fitch notes some of these revenue components may be able to maintain more stability than others during a stressed traffic environment.

Non-airline revenue sources, such as terminal concessions, parking and rental cars, are highly linked to traffic throughput. Similarly, PFCs, a per passenger fee designed to support the funding of capital investments, are directly exposed to passenger traffic volumes. Operating expenses are assumed to initially drop by 10% based on lower activity, followed by future increases as the recovery continues.

Results indicate a stable DSCR profile of about 1.4x, with the coverage account, while CPE peaks at about $20 in 2020. Leverage only modestly rises to 9.0x but then migrates downward, averaging about 8.0x through 2024.

Fitch also ran the coronavirus downside and severe downside scenarios, both showing a maximum traffic reduction of 45% in fiscal 2021, while the latter case delays the recovery in the following fiscal periods as shown in the tables. Under these scenarios, DSCRs and leverage profiles are comparable to the rating case, although CPE levels would be higher in each year to generate these results.

ESG Considerations

The highest level of Environmental, Social and Governance (ESG) credit relevance, if present, is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Appendix

Coronavirus Rating Case Scenario: Dallas-Fort Worth International Airport

	Forecast				
($000, FYE September 30)	2020	2021	2022	2023	2024
Operating Revenue					
Airline Revenue	557,000	557,759	632,779	650,602	661,450
Non-Airline Operating Revenue	217,852	292,624	373,763	415,292	425,674
PFC Revenue	85,000	102,099	131,270	145,855	149,501
CARES Act Draws	170,000	129,000	—	—	—
Total Gross Current Revenue	**1,029,852**	**1,081,481**	**1,137,812**	**1,211,749**	**1,236,626**
Operating and Maintenance Expenses	**481,000**	**529,100**	**550,264**	**572,275**	**595,166**
Net Revenue	**551,261**	**555,462**	**583,879**	**636,525**	**642,431**
Coverage Account and Transfers	**124,976**	**118,222**	**125,209**	**136,243**	**137,238**
Debt Service Requirements	**473,000**	**472,888**	**500,835**	**544,972**	**548,953**
Coverage Ratios (x)					
DSCR from Current Revenue	**1.17**	**1.17**	**1.17**	**1.17**	**1.17**
DSCR from Current Revenue and Transfers	**1.42**	**1.42**	**1.42**	**1.42**	**1.42**
Enplanements (000)	**21,954**	**29,272**	**32,931**	**36,590**	**36,590**
Percent Change from Prior Year (%)	**(40.0)**	**33.3**	**12.5**	**11.1**	**0.0**
Percent Change Relative to FY 2019 (%)	**(40.0)**	**(20.0)**	**(10.0)**	**(0.0)**	**(0.0)**
O&D Enplanements	**9,060**	**12,080**	**13,590**	**15,100**	**15,100**
Connecting Enplanements	**12,894**	**17,192**	**19,341**	**21,490**	**21,490**
Dallas-Fort Worth Cost per Enplanement ($)	**20.14**	**17.15**	**17.29**	**16.00**	**16.27**
Net Debt/CFADS (x)	9.0	9.1	8.8	7.7	7.3

PFC – Passenger facility charge. CARES – Coronavirus Aid, Relief and Economic Security. DSCR – Debt service coverage ratio. O&D – Origination and destination. CFADS – Cash flow available for debt service.
Source: Dallas-Fort Worth International Airport.

Coronavirus Downside Case Scenario: Dallas-Fort Worth International Airport

	Forecast				
($000, FYE September 30)	2020	2021	2022	2023	2024
Operating Revenue					
Airline Revenue	564,000	562,759	632,779	650,602	661,450
Non-Airline Operating Revenue	213,261	290,704	373,763	415,292	425,674
PFC Revenue	85,000	102,099	131,270	145,855	149,501
CARES Act Draws	170,000	129,000	—	—	—
Total Gross Current Revenue	**1,032,261**	**1,084,562**	**1,137,812**	**1,211,749**	**1,236,626**
Operating and Maintenance Expenses	**481,000**	**529,100**	**550,264**	**572,275**	**595,166**
Net Revenue	**551,261**	**555,462**	**587,548**	**639,474**	**641,460**
Coverage Account and Transfers	**124,976**	**118,222**	**125,209**	**136,243**	**137,238**
Debt Service Requirements	**473,000**	**472,888**	**500,835**	**544,972**	**548,953**
Coverage Ratios (x)					
DSCR from Current Revenue	**1.17**	**1.17**	**1.17**	**1.17**	**1.17**
DSCR from Current Revenue and Transfers	**1.43**	**1.42**	**1.42**	**1.42**	**1.42**
Enplanements (000)	**20,125**	**25,613**	**32,931**	**36,590**	**36,590**
Percent Change from Prior Year (%)	**(45.0)**	**27.3%**	**28.6**	**11.1**	**0.0**
Percent Change Relative to FY 2019 (%)	**(45.0)**	**(30.0)**	**(10.0)**	**0.0**	**0.0**
O&D Enplanements	**8,305**	**10,570**	**13,590**	**15,100**	**15,100**
Connecting Enplanements	**11,820**	**15,043**	**19,341**	**21,490**	**21,490**
Dallas-Fort Worth Cost per Enplanement ($)	**21.97**	**19.77**	**17.29**	**16.00**	**16.27**
Net Debt/CFADS (x)	9.0	9.1	8.8	7.8	7.3

PFC – Passenger facility charge. CARES – Coronavirus Aid, Relief and Economic Security. DSCR – Debt service coverage ratio. O&D – Origination and destination. CFADS – Cash flow available for debt service.
Source: Dallas-Fort Worth International Airport.

Coronavirus Severe Downside Case Scenario: Dallas-Fort Worth International Airport

	Forecast				
($000, FYE September 30)	2020	2021	2022	2023	2024
Operating Revenue					
Airline Revenue	564,000	562,759	662,779	720,602	676,450
Non-Airline Operating Revenue	213,261	290,704	348,845	361,304	415,292
PFC Revenue	85,000	102,099	122,518	126,894	145,855
CARES Act Draws	170,000	129,000	—	—	—
Total Gross Current Revenue	**1,032,261**	**1,084,562**	**1,134,143**	**1,208,800**	**1,236,626**
Operating and Maintenance Expenses	**481,000**	**529,100**	**550,264**	**572,275**	**595,166**
Net Revenue	**551,261**	**555,462**	**587,548**	**639,474**	**641,460**
Coverage Account and Transfers	**124,976**	**118,222**	**125,209**	**136,243**	**137,238**
Debt Service Requirements	**473,000**	**472,888**	**500,835**	**544,972**	**548,953**
Coverage Ratios (x)					
DSCR from Current Revenue	**1.17**	**1.17**	**1.17**	**1.17**	**1.17**
DSCR from Current Revenue and Transfers	**1.43**	**1.42**	**1.42**	**1.42**	**1.42**
Enplanements (000)	**20,125**	**25,613**	**32,931**	**36,590**	**36,590**
Percent Change from Prior Year (%)	**(45.0)**	**27.3**	**28.6**	**11.1**	**0.0**
Percent Change Relative to FY 2019 (%)	**(45.0)**	**(30.0)**	**(16.0)**	**(13.0)**	**(3.0)**
O&D Enplanements	**8,305**	**10,570**	**13,590**	**15,100**	**15,100**
Connecting Enplanements	**11,820**	**15,043**	**19,341**	**21,490**	**21,490**
Dallas-Fort Worth Cost per Enplanement ($)	**21.97**	**19.77**	**19.41**	**20.37**	**16.98**
Net Debt/CFADS (x)	9.0	9.1	8.9	7.8	7.3

PFC – Passenger facility charge. CARES – Coronavirus Aid, Relief and Economic Security. DSCR – Debt service coverage ratio. O&D – Origination and destination. CFADS – Cash flow available for debt service.
Source: Dallas-Fort Worth International Airport.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.