Tocumen
AEROPUERTO INTERNACIONAL
PANAMA

Hecho Relevante

Panamá, 25 de agosto de 2023

El 11 de agosto de 2023, S&P Global Ratings revisó la perspectiva de Panamá de negativa a **estable** y afirmó la calificación crediticia soberana de 'BBB'.

Como resultado S&P Global Ratings revisó la perspectiva del Aeropuerto Internacional de Tocumen S.A. (Tocumen) de negativo a estable y afirmó la calificación de BBB para esta entidad.

La perspectiva estable refleja la expectativa de que la gestión económica estable persistirá en los próximos dos años, afianzándose al crecimiento económico favorable.

La revisión de perspectiva de la calificación de Tocumen se da en consecuencia a la revisión de perspectiva de Panamá, la cual refleja actualmente su estabilidad política y continuidad en políticas económicas claves.

Raffoul A. Arab P.
Gerente General

AEROPUERTO INTERNACIONAL DE TOCUMEN S.A.
GERENCIA GENERAL
Tocumen
Rep. de Panamá

S&P Global
Ratings

Ratings List

The summary of these ratings actions related to the attached draft press release are confidential until their public release by S&P Global Ratings

Rating Action(s)

Aeropuerto Internacional de Tocumen S.A.

Debt Type	Rating Type	Ratings From	Ratings To
Senior Secured	Foreign Currency LT	BBB / NEGATIVE / --	BBB/ STABLE / --

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Research Update:

Outlook On Three Panamanian Infrastructure Entities Revised To Stable From Negative On Same Action On Sovereign

August 15, 2023

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Rating Action Overview

- On Aug. 11, 2023, S&P Global Ratings revised the outlook on Panama to stable from negative and affirmed the 'BBB' sovereign credit rating on it.
- As a result, we're revising the outlook on Panama-based Autoridad del Canal de Panama (ACP), ENA Master Trust (ENA Master), and Aeropuerto Internacional de Tocumen S.A. (Tocumen) to stable from negative. At the same time, we affirmed our 'A-', 'BBB', and 'BBB' ratings on these infrastructure entities, respectively.
- The stable outlook on these projects mirrors that on Panama, that in turn reflects our expectations that stable economic management will persist in the next two years, underpinning favorable economic growth that will contain the government's debt burden and support fiscal consolidation efforts.

Rating Action Rationale

The outlook revision on the ratings on ACP, ENA Master, and Tocumen follows the outlook revision on Panama (see "Panama Outlook Revised To Stable From Negative On Solid Growth Prospects; 'BBB' Foreign Currency Rating Affirmed" published on Aug. 11, 2023). The sovereign credit rating on Panama currently reflects its political stability and continuity in key economic policies, underpinning robust growth that has been stronger than in similarly developed countries for many years. Panama's per capita GDP exceeded pre-pandemic levels in 2022, and its growth prospects will help stabilize its fiscal trajectory and debt burden despite complex challenges.

The outlook revision on ACP reflects our view that it will continue to be rated at the maximum number of notches above the sovereign foreign currency rating. This is due to ACP's intrinsic credit factors, sensitivity to country risk, and liquidity cushion under the sovereign stress tests that we run for an entity with a higher rating than on the sovereign. Therefore, while all other factors remain equal, a potential sovereign action would cause the same rating action on ACP. We continue to view the project's stand-alone credit profile (SACP) as 'aa' (please see the full report

on ACP published July 26, 2023).

The outlook revision on ENA Master mainly reflects our view that we will continue to cap our rating on it at the sovereign level (the project's SACP is still 'a-'). This is because we don't think it could withstand a hypothetical sovereign default. We believe ENA Master is exposed to the regulator, which approves rates and capital expenditures. As such, a potential sovereign action would cause the same rating action on ENA Master, even if all other factors remain unchanged.

Given the strong relationship Tocumen has with the sovereign, if the sovereign credit quality were to change, the rating on Tocumen will follow an identical trend.

Outlook

The stable outlook on ACP, ENA Master, and Tocumen mirrors that on Panama. The outlook on the sovereign reflects our expectation that stable economic management will persist for the next two years, underpinning favorable economic growth that will contain the government's debt burden and support fiscal consolidation efforts. The stable outlook on ACP also reflects our view that we'll continue to rate it at the maximum number of notches above the sovereign foreign currency rating due to ACP's intrinsic credit factors, sensitivity to country risk, and liquidity cushion under the sovereign stress tests that we run for an entity that we rate above the sovereign. The stable outlook on Tocumen and ENA Master reflects our expectations of stable traffic volumes in the medium and long term.

Upside scenario

We could revise the rating on these projects in the next two years if we take a similar action on the sovereign, while all other factors remain unchanged.

Downside scenario

Given that the rating on APC is currently two notches above that on the sovereign, we could lower it if we were to take a similar action on the sovereign. Although unlikely, a downgrade could also occur if ACP's leverage jumps if transit volumes shrink, eroding EBITDA, or if the project undertakes a more aggressive dividend policy that would reduce the buffer in our stress scenario, which is currently above 1.5x. Finally, if we perceive a higher risk of intervention from the Panamanian government--as a result of changes in the project's bylaws or the country's constitution (such as the requirement of tax payments, higher mandatory dividends, or any restriction that we view as a detriment to the government-related entity's flexibility), we could cap our ratings on APC at the sovereign level.

We could lower the rating on Tocumen if we were to revise downwards its SACP. This could occur if we expect lower traffic levels in the medium and long term, for example, amid a change in passengers' behavior, which would dent our projections for cash flow for debt service, resulting in a minimum debt service coverage ratio (DSCR) of 1.25x or below starting in 2024. We could revise ENA Master's SACP downward if the minimum DSCR falls and remains consistently below 2.2x, which could occur because of falling traffic levels, increasing costs, or a combination of both factors.

Related Criteria

- Criteria | Infrastructure | General: General Project Finance Rating Methodology, Dec. 14, 2022
- Criteria | Infrastructure | General: Sector-Specific Project Finance Rating Methodology, Dec. 14, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Panama Outlook Revised To Stable From Negative On Solid Growth Prospects; 'BBB' Foreign Currency Rating Affirmed, Aug. 11, 2023

Ratings List

**********Autoridad del Canal de Panama**********

Ratings Affirmed	
Autoridad del Canal de Panama	
Senior Unsecured	A-

Ratings Affirmed; CreditWatch/Outlook Action

	To	From
Autoridad del Canal de Panama		
Issuer Credit Rating	A-/Stable/--	A-/Negative/--
********* **Aeropuerto Internacional de Tocumen S.A.** ****		
Senior Secured	BBB/Stable	BBB/Negative
********** **ENA Master Trust** **********		
Senior Secured	BBB/Stable	BBB/Negative

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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