

Research Update:

Florida Turnpike Enterprise \$234.4 million Series 2025D Turnpike Revenue Bonds Assigned 'AA' Rating; Outlook Stable

October 21, 2025

Overview

- S&P Global Ratings assigned its 'AA' long-term rating to the State of [Florida](#)'s proposed \$234.4 million series 2025D turnpike revenue bonds, issued for the [Florida Turnpike Enterprise](#) (FTE).
- The outlook is stable.

Rationale

Security

A pledge of the system's net revenue after operational and maintenance expenses secures the series 2025D bonds. The series 2025D bonds will not be secured by a debt service reserve (DSR).

As adopted in the 48th supplemental resolution (December 2018), on consent of 50% of holders of principal outstanding, FTE may issue parity bonds without a DSR or reduce the DSR requirement to zero for certain bonds outstanding (series 2018A-2021B). We understand that existing DSR subaccounts will remain in place for certain previously issued bonds, although FTE may remove them in the future. To the extent coverage and liquidity remain relatively high, we believe the adoption of the amendment will not have a substantial credit impact on the turnpike system. However, should credit metrics weaken or a liquidity event occur, the lack of a DSR could cause downward rating pressure. Only the series 2012A-2021B bonds currently benefit from the DSR subaccounts.

Proceeds from the series 2025D bonds will be used to finance a portion of the acquisition and construction costs of FTE's fiscal year 2026 Turnpike Project--which are included in the current five-year adopted work program--and to pay costs of issuance.

FTE expects to have approximately \$3.65 billion of revenue bonds outstanding following the issuance of the series 2025D bonds. As of fiscal year-end 2025 (June 30), FTE also had approximately \$6.9 million of subordinate state infrastructure bank loans outstanding.

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Credit highlights

Anchored by FTE's large service base, our assessment of its enterprise and financial risk profiles remains very strong. While we anticipate broader U.S. economic momentum will slow in 2025 compared with 2024, we believe Florida's demographic strengths will continue to support increasing demand and bolster financial resiliency through future economic cycles. Furthermore, our enterprise risk profile assessment incorporates the turnpike system's historically favorable traffic trends due to its strategic location and lack of significant competition from toll-free roads in the state.

Our financial risk profile assessment considers the turnpike system's historically good revenue growth and periodic toll-rate increases producing healthy financial metrics, which we expect will continue through our outlook period. Given the system's anticipated continued demand-driven growth, we believe it can maintain strong financial performance and a potentially extremely strong capacity to manage rising debt levels from its rolling, multi-billion-dollar capital improvement program (CIP). In tandem, we believe it can maintain its strong overall liquidity and financial flexibility as traffic levels rise and management remains proactive in adjusting its capital spending and timing its toll-rate increases.

In our view, favorable systemwide traffic demand continued to support both transaction and revenue growth in fiscal 2025. The system's transactions and revenue swiftly rebounded following the temporary suspension of tolling operations on west-central Florida facilities and a segment of the central Florida Turnpike mainline between Oct. 7 and Oct. 18, 2024, due to Hurricane Milton. On a preliminary (unaudited) basis, FTE estimates toll transactions for fiscal 2025 totaled 1.37 billion, reflecting a 2.6% increase compared with the prior year. At the same time, preliminary (unaudited) total operating revenue was \$1.37 billion (of which toll revenue totaled \$1.31 billion), or approximately 1.5% above the prior fiscal year.

FTE's current traffic and earnings report forecasts gross system revenue will increase to roughly \$1.48 billion by fiscal 2030 from \$1.37 billion in fiscal 2025, reflecting approximately 1.6% annualized growth, with roughly equal transaction growth over the same period. Overall, we expect management will work to balance capital projects with demand, while also implementing toll increases, when necessary, to maintain overall financial performance. We believe the underlying assumptions are reasonable and achievable, with actual total system traffic exceeding expectations in recent years.

Key credit strengths, in our opinion, are the turnpike system's:

- Resilient demand characteristics, fueled by robust population growth and economic activity trends and its important role in facilitating intrastate and interstate commerce, along with a lack of significant competition;
- High debt service coverage (DSC; S&P Global Ratings-calculated) that we expect will be maintained over 3.0x; extremely strong debt capacity (debt-to-net revenue below 5.0x); and relatively high unrestricted cash reserves; and
- Conservative and comprehensive financial and capital planning, as evidenced by a history of meeting or exceeding most operational and financial goals, detailed financial forecasts that are updated frequently to address material variances, and a very capable staff that has considerable experience operating a statewide tolling agency.

The key credit strengths above are, in our view, somewhat offset by the turnpike system's significant CIP (\$9.8 billion current CIP and a five-year work program for fiscal years 2026-2030), which estimates approximately \$4.24 billion of planned bond issuances (inclusive of the proposed

2025D bonds) through fiscal 2030 and the potential use of cash reserves to fund it, which we believe could pressure financial metrics.

Environmental, social, and governance

We evaluated the turnpike system's environmental, social, and governance factors relative to its market position, management and governance, and financial performance, and determined that, except for environmental factors, all have a neutral influence on our rating analysis. We note that the state's broader population growth positions the system to benefit, to the extent that it translates to greater transactions and revenue. However, in our view, the turnpike's physical risks are a moderately negative consideration in our rating analysis, based on the state's vast coastline, which exposes the turnpike's facilities to extreme weather events and long-term sea-level rises that could disrupt toll operations and revenue following an event.

Outlook

The stable outlook reflects our view that FTE will continue to exhibit favorable traffic volumes and net toll revenue growth, while also maintaining flexibility to adjust toll rates and capital spending, where necessary, to support healthy financial metrics as it manages its substantial CIP.

Downside scenario

Although we do not anticipate doing so, we could lower the rating within the two-year outlook period if debt issuance outpaces demand-driven revenue growth, leading to diminished debt burden capacity and cash-on-hand metrics from current levels for an extended period.

Upside scenario

We do not expect to raise the rating during the next two years due to FTE's anticipated debt plans and our opinion that its market position will not change.

For more information, see [our full analysis](#) on the turnpike, published Feb. 19, 2025.

Florida Turnpike Enterprise--ratings score snapshot

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

Florida Turnpike Enterprise--financial and operating data

	--Fiscal year ended June 30--					--Medians reported for 'AA' category rated toll roads--	--Medians reported for 'AA' category rated TIEs--
	2024	2023	2022	2021	2020	2023	2023
Financial performance							
Total operating revenue (\$000s)	1,350,276	1,179,419	1,153,380	1,012,039	995,849	738,774	225,544
Plus: interest income (\$000s)	94,881	61,517	(42,442)	(17,496)	62,212	MNR	MNR
Less: total O&M expenses and like transfers out, if any, net of noncash expenses	438,136	410,728	398,507	451,320	418,076	202,338	293,873
Numerator for S&P Global Ratings' coverage calculation (\$000s)	912,140	768,691	754,873	560,719	577,773	MNR	MNR
Total debt service (\$000s)	275,743	277,061	266,165	261,013	256,613	165,145	86,624
Denominator for S&P Global Ratings' coverage calculation (\$000s)	275,743	277,061	266,165	261,013	256,613	MNR	MNR
S&P Global Ratings-calculated coverage (x)	3.3	2.8	2.8	2.2	2.3	2.0	2.0
Debt and liabilities							
Debt (\$000s)	3,223,948	3,136,076	3,122,259	2,647,141	2,609,494	2,207,126	1,336,496
EBIDA (\$000s)	912,140	768,691	754,873	560,719	577,773	MNR	MNR
S&P Global Ratings-calculated net revenue (\$000s)	1,007,021	830,208	712,431	543,223	639,985	513,784	238,930
Debt to net revenue (x)	3.2	3.8	4.4	4.9	4.1	5.0	5.0
Debt to EBIDA (x)	3.5	4.1	4.1	4.7	4.5	5.0	MNR
Liquidity and financial flexibility							
Unrestricted cash and investments (\$000s)	995,475	980,731	954,455	609,827	896,836	668,556	499,076
Available liquidity, net of contingent liabilities (\$000s)	995,475	980,731	954,455	609,827	896,836	MNR	MNR
Unrestricted days' cash on hand	829	872	874	493	783	MNR	MNR
Available liquidity to debt (%)	31	31	31	23	34	MNR	MNR
Unrestricted days' cash on hand (excluding credit facilities)	829	872	874	493	783	1,079	811
Available liquidity to debt (%) (excluding credit facilities)	31	31	31	23	34	17	36
Operating metrics - toll road							
Total toll revenue (\$000s)	1,288,267	1,120,923	1,099,797	969,862	956,260	MNR	MNR
Toll transactions (000s)	1,337,442	1,284,965	1,138,036	861,062	860,569	184,505	MNR

O&M--Operations & maintenance. MNR--Median not reported. EBIDA = Total operating revenue - total O&M expenses excl. noncash expenses. 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.

Ratings List

New Issue Ratings

US\$234.35 mil dept of transp turnpike rev bnds (Florida Turnpike Enterprise) ser 2025D due 07/01/2035	
Long Term Rating	AA/Stable

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 <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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