

# Episcopal Communities & Services, California

The 'A-' rating reflects ECS's strong financial profile, including the series 2024A&B debt issuance, which is characterized by satisfactory unrestricted cash to debt levels (after entrance fee bonds are repaid), and capital-related metrics that support the 'A-' rating, as evidenced by Fitch's scenario analysis. Additional positive credit factors include the organization's strong market position and solid demand indicators in each of its markets, which include MonteCedro, The Covington, and The Canterbury as a part of the OG.

As of fiscal year-end 2023 (June 30; audited), ECS had strong unrestricted cash-to-leverage metrics, with approximately 138% cash to adjusted debt and 2.1x maximum annual debt service (MADS) coverage, which helps provide the initial financial cushion to ECS considering the large series 2024 debt issuance (approximately \$115.7 million par amount, net project cost of approximately \$100 million) to fund ILU expansion and various renovations, unit repositioning projects, and amenity/facility updates across the OG.

The 'A-' rating also considers ECS's midrange operating risk assessment that reflects adequate cost management practices as the organization has faced multiple performance headwinds originally stemming from the COVID-19 pandemic and then post-pandemic heightened inflationary-related expenses.

Overall, Fitch believes ECS's market position, which reflects healthy demand for independent living units and affordability, coupled with satisfactory balance sheet and leverage metrics that rebound post-series 2024 debt issuance and project fill-up support rating stability at this time.

## Security

The series 2024A and series 2024B bonds will be secured by a gross revenue pledge of ECS's obligated group.

## Credit Strengths

- Solid demand and improving independent living occupancy rates.
- Satisfactory financial profile incorporating new debt.
- Strong market position in each of its markets.

## Credit Challenges

- Sizeable medium-term capital plans.
- Historically pressured operational performance.

### Rating

Long-Term IDR A-

### Outlooks

Long-Term IDR Stable

### New Issue

\$30,000,000 California Health Facilities Financing Authority Revenue Bonds (Episcopal Communities & Services), Series 2024A A-  
 \$85,700,000 California Health Facilities Financing Authority Revenue Bonds (Episcopal Communities & Services), Series 2024B A-

### Sale Date

Week of January 8, 2024.

### Applicable Criteria

[Public Sector, Revenue-Supported Entities Rating Criteria \(April 2023\)](#)

[U.S. Public Finance Not-For-Profit Life Plan Community Rating Criteria \(April 2023\)](#)

### Related Research

[Fitch Rates Episcopal Communities and Services, CA's Series 2024A&B Revs 'A-'; Outlook Stable \(December 2023\)](#)

### Analysts

Michael Burger  
 +1 415 796 9960  
[michael.burger@fitchratings.com](mailto:michael.burger@fitchratings.com)

Meggi Carr  
 +1 212 908 0799  
[meggi.carr@fitchratings.com](mailto:meggi.carr@fitchratings.com)

## Key Rating Drivers

### Revenue Defensibility – 'a'

#### *Multi-site Communities Located in Strong Markets*

ECS's midrange revenue defensibility reflects solid and improving ILU occupancy rates along with good market positions that are poised to lead to further demand growth over the medium term. The organization's three communities are located in strong markets (Los Angeles and Orange counties) with pricing characteristics that are affordable relative to wealth and income levels. Fitch views ECS's overall market position as a primary credit strength.

In 2023, ECS's ILU occupancy average rate was a solid 91% and was nearly 93% at fiscal year-end, demonstrating the occupancy improvement that management expects to propel operations going forward. Assisted living (AL) and memory care averaged 75.5% and 87%, respectively in 2023, but both have observed similar increases since fiscal 2023 at 77% and 92.3%, respectively, four months through fiscal 2024 (Oct. 31; unaudited). Over the medium term, management is budgeting for increased occupancy across all levels of care that should support improved operating performance.

### Operating Risk – 'bbb'

#### *Rebound in Operating Performance Expected; Ability to Service Pro Forma Debt*

The midrange operating risk assessment reflects ECS's adequate ability to manage operating costs over the last five years, coupled with satisfactory capital-related metrics and good plant investment. Pandemic-related disruptions significantly impacted the community's operations historically; however, recovery is expected over the medium term as the organization emerges from post-pandemic expense inflationary pressures in addition to anticipated growth in occupancy rates, given the more recent uptick in sales and move-ins, and healthcare repositioning projects on its campuses.

Over the past four fiscal years, ECS's net operating margin (NOM) adjusted averaged approximately 9.3%, which is relatively consistent for the midrange operating risk assessment. Other operating metrics have been pressured historically, but the organization has still been able to service all its obligations, which Fitch views as adequate. Fitch believes operating performance is positioned to rebound as ECS experiences strong demand in the form of higher occupancy in addition to inflationary expense pressures abating. On a consolidated basis through the interim period, ECS reported an operating ratio of 96.8% and NOM-adjusted of 13.1%, which is improved from prior years.

Fitch expects operations will rebound to levels more consistent with historical operating performance (when ECS operating risk assessment was evaluated as strong) such that pro forma revenue-only MADS coverage should be north of 1.1x and pro forma MADS as a percent of revenues should moderate to around 11% (from 16.4% in FY23) once the series 2024 bonds' interest expense comes online (fiscal 2028). Capex is expected to be heightened given the capital projects over the next few years and then will taper off post project completion.

### Financial Profile – 'a'

#### *Scenario Analysis Supports Rating Stability*

Fitch's strong financial profile assessment reflects ECS's satisfactory unrestricted balance sheet resources, despite the organization's midrange operating risk assessment and the series 2024A&B debt incurrence. At FYE 2023, cash to adjusted debt was solid at 138% and maximum annual debt service (MADS) coverage was adequate at 2.1x. The scenario analysis (including the series 2024A&B bonds) supports Fitch's belief that ECS will be able to maintain leverage metrics in line with Fitch's 'A-' rating expectations over the next several years with cash to adjusted debt and pro forma MADS coverage estimated to be 121% and 2.6x, respectively, once the temporary debt is repaid with initial entrance fees.

Fitch's forward-looking analysis incorporates the series 2024A&B financing plans, which initially put pressure on ECS's available balance sheet resources to leverage position. However, management intends to pay off the series 2024A bonds with entrance fees collected as new ILUs are occupied. Management notes that fill-up is not intended to take place until 2025, and 36 of the 40 (90%) new ILUs already have deposits placed. In some cases, prospective residents have already made unit upgrade plans, which gives Fitch confidence that ECS will experience enough fill up of the new units to generate sufficient entrance fees to repay the temporary debt.

Even under a sustained operating and financial market stress, coupled with the new debt offering, Fitch's scenario analysis supports the opinion that ECS's financial profile would recover and stabilize over the next few years with leverage metrics that continue to support an 'A' category rating. However, if management is not able to meet its financial projections, there is limited financial cushion to absorb a material negative economic event, which could negatively pressure the rating.

### Asymmetric Additional Risk Considerations

No asymmetric risk considerations are relevant to the rating.

### Rating Sensitivities

**Factors, actions or events that may, individually or collectively, lead to negative rating action include:**

- If ECS experiences difficulty in ILU expansion fill-up over the project period and is unable to enhance ALU demand as expected, which negatively impacts operating performance and causes pro forma MADS and unrestricted balance sheet resources to be behind budget.
- If core operations weaken from current levels such that net operating margin (NOM) adjusted is less than 10% for a sustained period of time.
- Any material deterioration in liquidity levels resulting in a sustained cash to adjusted debt below 110% post series 2024A (entrance fee bonds) pay down.
- Although unexpected, any additional debt incurred that is not met with commensurate revenue and unrestricted balance sheet resource offset.

**Factors, actions or events that may, individually or collectively, lead to positive rating action include:**

- Any positive rating action at this time is unlikely given the significant amount of new debt ECS is incurring with the series 2024A&B debt issuance. However, positive rating action may result if operating performance and liquidity levels significantly overperform Fitch's expectations such that leverage metrics with cash to adjusted debt is sustained above 170%.

### Credit Profile

ECS is headquartered in Altadena, CA and is the sole corporate member of the OG. There are some non-obligated affiliates, which include ECS Management LLC, Creative Housing Services, Twelve Oaks Foundation, and Episcopal Communities & Services Supportive Funds Management.

The ECS communities are The Canterbury (opened in 1983), The Covington (opened in 2004), and MonteCedro (opened in 2015). The Canterbury is located in Rancho Palos Verdes, The Covington is located in Aliso Viejo and MonteCedro is located in Altadena, CA. MonteCedro, Inc joined the ECS OG in November 2022 and merged with ECS effective July 31, 2023.

Fitch's analysis is based on the obligated group, which comprised nearly 97% of total consolidated revenues in fiscal 2023 (OG had total revenues of approximately \$73 million in fiscal 2023 [audited; June 30 fiscal year end]).

### Revenue Defensibility

ECS has three communities in the obligated group: MonteCedro located in Altadena, The Canterbury located in Palos Verdes and The Covington located in Aliso Viejo. The communities are located in affluent and desirable neighborhoods in Los Angeles and Orange County, CA with some competition. Although there are other LPCs nearby, ECS does not compete with them directly as they offer different contract types and price points. Demand for units has been sound and is anticipated to increase with the community maintaining a good waitlist.

Fitch views MonteCedro, Canterbury and Covington's entrance fees as affordable and in line with home values within each market. MonteCedro's entrance fees will range from approximately \$795,000 to nearly \$2.4 million on its new unit expansion. At MonteCedro's existing campus, the average entrance fee is around \$1 million. Canterbury's entrance fees average approximately \$506,000 and Covington's entrance fees average \$739,000 but do range depending on the unit and size. Each community's market assessments afford a high degree of price flexibility with rate increases that occur regularly but ECS is still able to maintain levels that are below median home values in each market.

Overall, the average net worth for ECS's residents is approximately \$3.9 million, which illustrates the price flexibility and affordability for units, which Fitch views favorably.

### Operating Risk

ECS offers Type B contracts at all three communities which Fitch views as presenting less actuarial and contract pricing risks. As a part of the campus repositioning projects associated with the series 2024A&B debt issuance, ECS will be providing healthcare services in an enhanced acuity setting that is not served in a skilled nursing facility (SNF) setting.



Operating profitability is assessed as midrange, which follows several years of softened performance primarily stemming from the pandemic and then post-pandemic expense pressures, such as higher labor and supply chain related expenses. Historical lower occupancy rates during the pandemic in part caused by campus lockdowns and disruptions negatively impacted operations. Higher salaries and personnel expenses coupled with higher service and supplies expenses post pandemic continued to challenge the organization operationally as ILU occupancy began to improve.

Historically, capital spending has averaged approximately 81% of depreciation expense over the last four years. With the planned expansion, updates, and renovations projects, capex is expected to total around \$150 million over the next 36 months (\$100 million in proceeds with remainder of expenditure sources coming from equity and operational cash flow). Once the capital projects are complete, Fitch expects capex to taper and Fitch does not anticipate any other additional debt plans over the medium-term. Considering the 2024 debt issuance, Fitch believes ECS is at its debt capacity for the 'A-' rating level.

Capital-related metrics are expected to be satisfactory over the medium-term with pro forma debt service coverage expected to be north of 2.6x post project completion and ILU fill-up at MonteCedro. Fitch views favorably that management reports that 36 of the 40 new ILUs at MonteCedro already have pre-sale deposits. Fitch is using pro forma MADS of approximately \$10.8 million in its analysis, which translates into MADS as a percentage of revenue of approximately 11% and revenue only MADS coverage of 1.3x post project competition and fill-up, which Fitch believes is attainable.

### Financial Profile

Coming out of the pandemic, ECS maintained a stable and healthy liquidity position through fiscal 2023, mitigating the weaker operations caused in relation to post-COVID-19 and higher inflationary pressures. In fiscal 2023 (audited; June 30), unrestricted cash and investments totalled approximately \$121.2 million and translated into a solid 718 days cash on hand (DCOH) and 138% cash to adjusted debt position. Despite the somewhat pressured historical operations and series 2024A&B debt issuance, Fitch expects balance sheet resources to rebound over time to near current levels by 2028, which in part supports the 'A-' rating rationale.

Fitch's forward-looking analysis incorporates the series 2024A&B financing plans, which initially puts pressure on ECS's available balance sheet resources to leverage position. However, management intends to pay off the series 2024A bonds with initial entrance fees as new ILUs are occupied. Management notes that fill-up is not intended to take place until late 2025/early 2026 and 36 of the 40 new ILUs already have deposits placed, which Fitch views favorably.

Even under a sustained operating and financial market stress, coupled with the new debt offering, Fitch's scenario analysis supports the opinion that ECS's combined cash to adjusted debt would temporarily decline, but recover and stabilize over the next few years with leverage metrics that continue to support an 'A' category rating. However, if management is not able to meet its financial projections goals, Fitch notes there is limited financial cushion to absorb a material negative economic event and could negatively pressure the rating.

### Asymmetric Additional Risk Considerations

No asymmetric risk factors affected the rating determination. ECS's debt profile is conservative with 100% fixed rate debt. The only debt outstanding is the series 2022 bonds, which Fitch does not rate.

## ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

## Financial Summary

(\$000, Audited Fiscal Years Ended June 30)	2020	2021	2022	2023	Four Mos. Ended (Consolidated) 10/31/23 <sup>a</sup>
<b>Balance Sheet Data</b>					
Unrestricted Cash & Investments	88,819	94,120	79,266	121,238	152,516
Trustee-Held Cash & Investments	4,950	5,598	1,028	4,895	5,833
Net Accounts Receivable	984	840	983	1,425	967
Property, Plant & Equipment, Net	82,700	79,823	78,441	213,628	221,988
Total Assets	184,026	188,007	166,071	349,776	389,580
Current Liabilities	16,393	16,870	12,128	23,082	11,788
Total Debt (Including Current Portion)	64,837	60,794	51,855	87,949	89,072
Adjusted Debt	66,167	60,794	51,855	87,949	89,072
Deferred Revenue from Non-Refundable Entrance Fees	9,540	9,422	12,393	26,887	27,667
Refundable Entrance Fees	101,790	102,196	108,952	229,821	242,711
Unrestricted Net Assets	-10,486	-2,920	-20,086	-17,420	15,596
<b>Income Statement Data</b>					
Resident Service Revenue	26,141	23,516	26,191	44,352	17,021
Amortization of Advance Fees	2,686	2,260	2,420	5,105	2,195
Interest & Dividends	2,238	2,486	5,655	3,343	1,435
Other Operating Revenue	8,578	9,944	12,030	11,909	2,784
Total Operating Revenue	39,643	38,206	42,664	64,152	23,368
Depreciation & Amortization	7,026	7,139	7,457	13,318	4,834
Interest Expense	2,615	2,751	2,384	3,066	895
Other Operating Expenses	34,403	35,660	37,577	59,057	19,601
Total Expenses	44,044	45,436	47,177	74,971	25,331
Operating Income	-4,401	-7,230	-4,513	-10,819	-1,963
Realized Gains (Losses) on Investments	1,393	11,143	423	1,540	-15
Contributions	23	135	126	155	173
Other Non-Operating Revenue	472	-114	—	—	-237
Total Non-Operating Revenue	1,888	11,164	549	1,695	-79
Excess Income	-2,513	3,934	-3,964	-9,124	-2,041
Net Operating Income	316	-2,086	-2,747	-2,883	137
Adjusted Net Operating Income	4,739	124	6,367	6,544	2,968
Unrealized Gains (Losses) on Investments	-1,174	3,360	-16,339	7,231	-7,438
Maximum Annual Debt Service (MADS)	10,820	10,820	10,820	10,820	10,820
<b>Cash Flow Data</b>					
Entrance Fees Received — Turnover Units	20,043	11,543	26,009	36,751	12,394
Entrance Fees Refunded	15,620	9,333	16,895	27,324	9,563
Net Entrance Fees Received — Turnover Units	4,423	2,210	9,114	9,427	2,831
CCRC Net Available	8,865	13,774	12,571	11,582	4,324
CCRC Net Available — Revenue Only	4,442	11,564	3,457	2,155	1,493
Net Capital Expenditures	4,933	4,342	6,281	14,352	4,818

<sup>a</sup>Unaudited; Consolidated. Note: Fitch may have reclassified certain financial statement items for analytical purposes.  
 Source: Fitch Ratings, Fitch Solutions, Episcopal Communities & Services (CA)

## Financial Ratios

(\$000, Audited Fiscal Years Ended June 30)	2020	2021	2022	2023	Four Mos. Ended 10/31/23 <sup>a</sup>
<b>Liquidity Ratios</b>					
Days Cash on Hand	875.8	897.0	728.4	717.8	905.4
Cash/Debt (%)	137.0	154.8	152.9	137.9	171.2
Cash/Adjusted Debt (%)	134.2	154.8	152.9	137.9	171.2
Cushion Ratio (x)	8.2	8.7	7.3	11.2	14.1
<b>Profitability &amp; Operational Ratios</b>					
Operating Ratio	100.2	106.5	98.7	104.4	96.8
Operating Margin	-11.1	-18.9	-10.6	-16.9	-8.4
Net Operating Margin	0.9	-6.2	-7.9	-5.2	0.7
Net Operating Margin – Adjusted	12.1	0.4	14.6	10.1	13.2
Excess Margin	-6.1	8.0	-9.2	-13.9	-8.8
<b>Capital Related Ratios</b>					
MADS Coverage (x)	0.8	1.3	1.2	1.1	1.2
MADS Coverage – Revenue Only (x)	0.4	1.1	0.3	0.2	0.4
MADS/Revenue (%)	26.1	21.9	25.0	16.4	15.5
Capital Expenditures/Depreciation (%)	70.2	60.8	84.2	107.8	99.7
Debt/Net Available (x)	7.3	4.4	4.1	7.6	6.9
Adjusted Debt/Capitalization (%)	101.5	90.3	117.4	90.3	67.3
Average Age of Plant (Years)	15.4	17.0	17.6	—	—

<sup>a</sup>Unaudited. Note: Fitch may have reclassified certain financial statement items for analytical purposes.

Source: Fitch Ratings, Fitch Solutions, Episcopal Communities &amp; Services (CA)

## Occupancy

(Fiscal Years Ended June 30)	2020	2021	2022	2023	Four Mos. Ended 10/31/23
<b>Independent Living</b>					
ILU Available Units	253	253	253	436	436
Occupancy (%)	86	83	87	91	92
<b>Assisted Living</b>					
ALU Available Units	60	60	60	37	52
Occupancy (%)	81	82	88	76	77
<b>Skilled Nursing</b>					
SNF Available Beds	48	48	48	39	0
Occupancy (%)	46	42	46	67	0
<b>Memory Care</b>					
MC Available Units	—	—	—	—	39
Occupancy (%)	—	—	—	—	92

Source: Fitch Ratings, Fitch Solutions, Episcopal Communities &amp; Services (CA)

### Skilled Nursing Payor Mix

(%, Fiscal Years Ended June 30)	2020	2021	2022	2023	Four Mos. Ended 10/31/23
Medicare	44.2	1.8	2.4	3.6	0.0
Medicaid	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Private	55.8	98.2	97.6	96.4	100.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Fitch Ratings, Fitch Solutions, Episcopal Communities & Services (CA)

## SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

## DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2024 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.