

Research Update:

Vanguard International Semiconductor Corp. 'twA+/twA-1' Ratings Affirmed; Outlook Stable

April 30, 2026

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **Vanguard International Semiconductor Corp.** The outlook on the long-term rating is stable.

The ratings on Vanguard reflect the company's good technological capabilities providing mature process foundry services, which in turn supports both its stable market share, especially in power management and display driver integrated circuits and solid client relationships. In addition, technology support from Taiwan Semiconductor Manufacturing Co. Ltd. and a joint venture structure with a key client alleviate execution risks for Vanguard's 12-inch fabrication project.

Several factors temper these rating strengths. These include intense market competition among mature node foundries, lower technical barriers compared to advanced nodes and Vanguard's relatively smaller market share. These factors could induce some downside risk to its stable performance over the long term.

The ratings also incorporate our view that Vanguard's joint venture agreement with NXP Semiconductors N.V., long-term contracts with key clients and growing EBITDA generation should enable Vanguard to cap its ratio of debt to EBITDA below 2x in 2026-2027 despite capex remaining high.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - July 07, 2025
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011

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- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019

Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

(Unless otherwise stated, these articles are published on www.taiwanratings.com)

Ratings List

Ratings Affirmed

Vanguard International Semiconductor Corp.

Issuer Credit Rating	twA+/Stable/twA-1
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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.taiwanratings.com for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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