

Research Update

LCY Chemical Corp. 'twBBB/twA-2' Ratings Affirmed; Outlook Stable

September 27, 2019

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twBBB' long-term and 'twA-2' short-term issuer credit ratings on **LCY Chemical Corp.** The outlook on the long-term rating is stable. The ratings on LCY reflect the company's good position in its niche markets, good technology capability in product differentiation, and adequate downstream and geographic diversity. These strengths are partly offset by LCY's relatively small operating scale and likely higher volatility on its profitability than for large regional peers with more business diversity and integration. The ratings are also constrained by the company's heightened financial risk after LCY's debt-funded privatization by its new private equity owner.

Related Criteria

- Understanding Taiwan Ratings' Rating Definitions, www.taiwanratings.com - June 26, 2018
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - November 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities - November 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

(Unless otherwise stated, these articles are published on www.standardandpoors.com, access to which requires a registered account)

Ratings List

Ratings Affirmed

LCY Chemical Corp

Issuer Credit Ratings	twBBB/Stable/twA-2
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