

Research Update

Taoyuan International Airport Corp. Ratings Affirmed At 'twAAA/twA-1+'; Outlook Stable

November 7, 2019

Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twAAA' long-term and 'twA-1+' short-term issuer credit ratings on **Taoyuan International Airport Corp.** (Taoyuan Airport). The outlook on the long-term rating is stable. The ratings on Taoyuan Airport continue to reflect our view of the extremely high likelihood of extraordinary support from the Taiwan government in times of the company's financial distress. The ratings also reflect Taoyuan Airport's dominant position in Taiwan's international air-related services with wide network of airlines, its diverse and balanced revenue stream mix of aeronautical and non-aeronautical revenue, and its good and stable profitability supported by increased fees. Nevertheless, Taoyuan Airport's credit metrics are likely to weaken moderately over the next five to seven years due to rising capital expenditure on a third passenger terminal.

Related Criteria

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions - March 25, 2015
- Understanding Taiwan Ratings' Rating Definitions - 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
- Criteria | Corporates | Industrials: Key Credit Factors For The Transportation Infrastructure Industry - November 19, 2013
- 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

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PRIMARY CREDIT ANALYST

Irene Lai
Taipei
+886-2-8722-5825
irene.lai
@spglobal.com
irene.lai
@taiwanratings.com.tw

SECONDARY CONTACT

Anne Kuo, CFA
Taipei
+886-2-8722-5829
anne.kuo
@spglobal.com
anne.kuo
@taiwanratings.com.tw

Ratings List

Ratings Affirmed

Taoyuan International Airport Corp.

Issuer Credit Rating

twAAA/Stable/twA-1+

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