

Research Update:

Pegatron Corp. Ratings Affirmed At 'twAA-/twA-1+'; Outlook Negative

January 21, 2020

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **Pegatron Corp.** The outlook remains negative. The ratings on Pegatron reflect the company's good position as a one of the leading global electronics manufacturing services provider, as well as Pegatron's above-average technology and management capability to provide very large volume and time-to-market electronics manufacturing services. Pegatron's strong cash flow generation, very low debt leverage, and prudent capital spending also support the ratings. Counterbalancing factors include the company's high business concentration and industry risk of heightened competition and margin pressure over the next two years.

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

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Ratings List

Ratings Affirmed;

Pegatron Corp.

Issuer Credit Rating	twAA-/Negative/twA-1+
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