

Research Update

Far EasTone Telecommunications Co. Ltd. Ratings Affirmed At 'twA+/twA-1'; Outlook Stable

January 25, 2021

Rating Action

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **Far EasTone Telecommunications Co. Ltd.** (FET). The outlook on the long-term rating is stable. The ratings on FET reflect our view that the company is an insulated subsidiary of the **Far Eastern New Century Corp.** (FENC) group and the long-term rating on FET is capped at one notch above the FENC group credit profile on global scale.

The ratings on FET also reflect our expectation that the company will maintain its good market position as one of the three leading domestic wireless telecommunication operators in Taiwan. In addition, the downward pressure on EBITDA is likely to ease over the next two years with a rising 5G penetration rate. However, FET's high business concentration in mobile business compared with its local peers tempers these strengths. Furthermore, FET's debt level could remain elevated, albeit declining, over the next one to two years due to high expected capital expenditure on 5G infrastructure.

Related Criteria & Research

Related Criteria

- 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 Telecommunications And Cable Industry - June 23, 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: Principles Of Credit Ratings - February 16, 2011

Related Research

- Taiwan Ratings' Ratings Definitions – August 10, 2020

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Ratings List

Ratings Affirmed

Far EasTone Telecommunications Co. Ltd.

Issuer Credit Rating

twA+/Stable/twA-1

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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