

Research Update:

Unimicron Technology Corp. Ratings Affirmed At 'twA/twA-1'; Outlook Stable

May 27, 2021

Rating Action Overview

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

The ratings on Unimicron reflect our view that the company will remain one of the top global IC carrier and high density interconnect (HDI) suppliers, given Unimicron's good technology capability and well-established relationships with large global clients. In addition, Unimicron's relatively diversified product mix underpins the company's competitive strengths, in our view. We also believe the company will cap its debt to EBITDA ratio slightly below 2.5x in 2022 before gradually deleveraging, despite high planned capital expenditure. These strengths are somewhat offset by rising competition and margin pressure on the initial cost of new large capacity and Unimicron's key product segments such as HDI, and strong buyer power, particularly amid weaker performance on flexible printed circuits and conventional printed circuit board.

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
- 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: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- General Criteria: Principles Of Credit Ratings - February 16, 2011

PRIMARY CREDIT ANALYST

Irene Lai
Taipei
+886-2-2715-6825
irene.lai
@spglobal.com
irene.lai
@taiwanratings.com.tw

SECONDARY CONTACT

David Hsu
Taipei
+886-2-2715-6828
david.hsu
@spglobal.com
david.hsu
@taiwanratings.com.tw

Related Research

– Taiwan Ratings' Ratings Definitions – August 10, 2020

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

Ratings List

Ratings Affirmed

Unimicron Technology Corp.

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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