

Research Update:

# Taiwan-based Yageo Corp. Ratings Affirmed At 'twA+/twA-1'; Outlook Stable

February 25, 2022

## Rating Action Overview

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

The ratings on Yageo reflect the company's good market positions in various passive components, Yageo's comprehensive product offering that secures stable client relationships, and the company's above average profitability compared with its peer. The ratings also reflect our view that Yageo's enhanced EBITDA generation along with likely moderate capital expenditure and debt-funded merger and acquisitions are likely to help the company keep its ratio of debt to EBITDA at 1.5x-2.0x over the next one to two years. Standardized products and limited technology barriers that lead to intense competition and volatile pricing, as well as highly cyclical demand particularly from IT-related applications somewhat offset these strengths.

## Related Criteria & Research

### Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Sun Oct 10 2021
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 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: Principles Of Credit Ratings - February 16, 2011

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## Related Research

– Taiwan Ratings' Ratings Definitions – August 10, 2020

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## Ratings List

### Ratings Affirmed

#### Yageo Corp.

Issuer Credit Rating	twA+/Stable/twA-1
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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](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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