

Media Release:

Pegatron Corp. Ratings Affirmed At 'twAA-/twA-1+'; Liquidity Revised To Adequate From Strong; Outlook Stable

January 17, 2023

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 on the long-term rating is stable. The ratings on Pegatron reflect the company's market position as one of the largest global electronics manufacturing service providers, as well as the company's above-average technology and management capability to provide very large volume and time-to-market services. Heightening industry risk due to rising competition, along with Pegatron's high customer concentration and persistent margin pressure temper the company's credit strengths.

We have revised our assessment of Pegatron's liquidity to adequate from strong, which has no impact on the ratings. The revision mainly reflects Pegatron's higher refinancing needs for its consolidated short-term borrowing, as well as our expectation of the company's continuous capital expenditure to diversify its overseas production base and expand capacity for its key subsidiary, Kinsus Interconnect Technology Corp. Nonetheless, we forecast Pegatron's liquidity will remain adequate over the next 12 months.

Related Criteria & Research

Related Criteria

- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- 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 – November 11, 2021

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

Ratings List

Ratings Affirmed

Pegatron Corp.

Issuer Credit Rating	twAA-/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 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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