

## Research Update

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

January 18, 2023

## Rating Action Rationale

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

The ratings on Far EasTone also reflect our view that the telecom operator will maintain its good market position as one of the three largest domestic wireless telecommunication operators in Taiwan. Far EasTone's EBITDA is likely to increase moderately over the next two years with a rising 5G penetration rate. However, the company's high concentration in mobile business compared with its local peers' tempers these strengths. Furthermore, Far EasTone's debt could increase due to potential consolidation with Asia Pacific Telecom Co. Ltd. if the related regulators approve the proposed merger, possibly in the first half of 2023.

## 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
- Criteria | Corporates | Industrials: Key Credit Factors For The Telecommunications And Cable Industry - June 23, 2014

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## Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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## Ratings List

### Ratings Affirmed

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#### Far EasTone Telecommunications Co. Ltd.

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Issuer Credit Rating	twA+/Stable/twA-1
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