

Research Update:

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

February 21, 2023

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 could keep its ratio of debt to EBITDA at about 2x over the next 12 to 24 months, despite slightly weakening profitability and debt-funded acquisitions over the same period. 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: 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

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 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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