

Research Update:

# Systemx Corp. Ratings Affirmed At 'twA-/twA-2'; Outlook Stable

July 26, 2023

## Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on Taiwan-domiciled **Systemx Corp.** The outlook on the long-term rating remains stable. The affirmation reflects our view that Systemx's inferior technology capability and product mix, as well as a smaller operating scale than its global peers result in lower profitability. Taiwan's fragmented market structure and intense competition also constrain the company's market position.

Systemx's system integration capability along with good domain know-how grant the company a competitive edge in some niche domestic segments. Moreover, Systemx has a strong balance sheet with zero net debt, although debt could rise over the next three years to support the company's growth plan.

## Related Criteria & Research

### Related Criteria

- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- 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

### Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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## Ratings List

### Rating Affirmation; Outlook

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#### **Systex Corp.**

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|                      |                   |
|----------------------|-------------------|
| Issuer Credit Rating | twA-/Stable/twA-2 |
|----------------------|-------------------|

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