

Media Release:

# United Microelectronics Corp. 'twAA-/twA-1+' Ratings Affirmed; Ratings Then Withdrawn At The Company's Request

September 27, 2023

## Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA-' long-term and 'twA-1+' short-term issuer credit ratings on **United Microelectronics Corp.** (UMC). We then withdrew the ratings at the company's request. The outlook at the time of withdrawal was stable.

## Rationale

The ratings on UMC continue to reflect our view that the company could maintain its satisfactory position in semiconductor foundry services using mature process technology while expanding its services using 22/28 nanometer (nm) specialty process with adequate technology capability. In addition, we believe the company's adequate operating efficiency will help to sustain healthy profitability and cash flow over the next one to two years. The company is also likely to remain focused on specialty process technologies without investing in 10nm or more advanced technologies, which should support positive free operating cash flow and a debt-free balance sheet on an adjusted basis over the same period. This is despite our view that UMC will return most of its excess free operating cash flow to shareholders through cash dividends and share buybacks.

The stable rating outlook prior to the withdrawal reflects our view that UMC will maintain its prudent business and financial management strategy over the next two years.

## 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

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- 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

### Ratings Affirmed

#### United Microelectronics Corp.

Issuer Credit Rating	twAA-/Stable/twA-1+
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### Ratings Withdrawn

	To	From
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#### United Microelectronics Corp.

Issuer Credit Rating	N.R.	twAA-/Stable/twA-1+
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