

Research Update:

Hon Hai Precision Industry Co. Ltd. Ratings Affirmed At 'twAA+/twA-1+'; Outlook Stable

October 24, 2023

Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twAA+' long-term and 'twA-1+' short-term issuer credit ratings on **Hon Hai Precision Industry Co. Ltd.** The outlook on the long-term rating is stable. The ratings on Hon Hai reflect the company's strong market position as the world's largest electronic manufacturing services provider, strong operating efficiency, an unrivalled vertically integrated production model, and very low debt leverage. That's despite Hon Hai's higher capital spending and investments over the next two to three years to support future growth, as well as our expectation of a mid-to-high single digit decline in its revenue in 2023 before a mild recovery in 2024. The company's high customer concentration and intense industry risks amid increasing competition also temper these strengths.

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: Reflecting Subordination Risk In Corporate Issue Ratings - March 28, 2018
- General Criteria: Guarantee Criteria - October 21, 2016
- 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

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

PRIMARY CREDIT ANALYST

David Hsu
Taipei
+886-2-2175-6828
david.hsu
@spglobal.com
david.hsu
@taiwanratings.com.tw

SECONDARY CONTACT

Raymond Hsu, CFA
Taipei
+886-2-2175-6827
raymond.hsu
@spglobal.com
raymond.hsu
@taiwanratings.com.tw

Ratings List

Ratings Affirmed

Hon Hai Precision Industry Co. Ltd.

Issuer Credit Rating	twAA+/Stable/twA-1+
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