

Research Update:

CTCI Corp. Ratings Affirmed At 'twA/twA-1'; Outlook Stable

March 26, 2024

Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twA' long-term and 'twA-1' short-term issuer credit ratings on **CTCI Corp.** The outlook on the long-term rating is stable. The ratings on CTCI reflect the company's sustained domestic market leadership, expanding overseas operating scale, and improving business diversity that will underpin its competitive position over the next one to two years. In addition, the ratings reflect our base case that CTCI's ratio of debt to EBITDA will increase substantially to about 2x over the next two to three years, given its significant capital expenditure (capex) and working capital needs.

CTCI's smaller operating scale compared with that of its large-scale global engineering, procurement and construction (EPC) peers, weaker profit margin in its overseas EPC business, and high volatility of the company's leverage for capex and working capital swings somewhat temper these strengths.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- 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
- Criteria | Corporates | Industrials: Key Credit Factors For The Unregulated Power And Gas Industry - March 28, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating - October 01, 2010

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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

CTCI Corp.

Issuer Credit Rating	twA/Stable/twA-1
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