

Research Update:

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

October 14, 2024

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 a sustainable net cash position on an adjusted basis.

We believe the company's strengthening revenue momentum over the next one to two years will enhance its cash flow generation, amid robust AI server demand. This would in turn support Hon Hai's escalating capital spending and investments over the next same period for geographic diversification and future growth. The company's high customer concentration and relatively high industry risks amid increasing competition pressures temper these strengths.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - April 04, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings - March 28, 2018
- General Criteria: Guarantee Criteria - October 21, 2016
- 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
- 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

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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

Hon Hai Precision Industry Co. Ltd.

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