

Research Update:

Ratings On Aerospace Industrial Development Corp. Affirmed At 'twAA/twA-1+'; Outlook Stable

May 22, 2025

Rating Action Overview

Taiwan Ratings Corp. today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **Aerospace Industrial Development Corp. (AIDC)**. The outlook on the long-term rating is stable.

The ratings on AIDC continue to reflect the company's monopoly role producing self-developed aircraft and providing recurring maintenance services to Taiwan's military, and an expanding business scale in the commercial aircraft segment. AIDC's improving profit margin and limited capital expenditure could help the company to maintain its ratio of debt to EBITDA at 2x-4x over the next two years. In addition, we believe there is a very high likelihood that the company will receive an extraordinary government support should AIDC experience financial stress.

Several factors temper these strengths, including AIDC's relatively small scale, high client concentration, and its relatively volatile debt leverage due to working capital swings.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - April 04, 2024
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions - March 25, 2015
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- 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 – Nov. 11, 2021

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

Ratings List

Ratings Affirmed

Aerospace Industrial Development Corp.

Issuer Credit Rating	twAA/Stable/twA-1+
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