

Research Update

Chunghwa Telecom Co. Ltd. Ratings Affirmed At 'twAAA/twA-1+'; Outlook Stable

November 29, 2019

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twAAA' long-term and 'twA-1+' short-term issuer credit ratings on **Chunghwa Telecom Co. Ltd.** The outlook on the long-term rating is stable. The ratings on Chunghwa Telecom reflect our view that the telecom provider will maintain its market leadership, robust cash flow generation, and conservative debt appetite over the next one to two years. We also expect Chunghwa Telecom to maintain minimal debt leverage over the same period. These strengths are partly tempered by the company's persistent margin pressure due to competition particularly in the mobile business segment and rising revenue contribution from lower-margin business lines, as well as a slightly declining market share in both mobile and broadband markets.

Related Criteria

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions - March 25, 2015
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions - November 19, 2013
- Understanding Taiwan Ratings' Rating Definitions - June 26, 2018
- 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 Telecommunications And Cable Industry - June 22, 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: Use Of CreditWatch And Outlooks - September 14, 2009

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Ratings List

Ratings Affirmed

Chunghwa Telecom Co. Ltd.	
Issuer Credit Ratings	twAAA/Stable/twA-1+

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