

Research Update:

SYSTEX Corp. Ratings Affirmed At 'twA-/twA-2'; Outlook Stable

July 30, 2024

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on Taiwan-domiciled **SYSTEX Corp.** The outlook on the long-term rating remains stable. The affirmation reflects our view that the company could maintain a strong balance sheet with high cash balance and stable earnings from its recurring revenue, despite significant spending on acquisitions.

In addition, SYSTEX's system integration know-how and a competitive edge in some niche domestic segments underpin the ratings. The company's inferior technology capability, less favorable product mix and smaller operating scale than its global peers continue to result in lower profitability. Moreover, Taiwan's fragmented market structure and intense competition constrain SYSTEX's market position.

Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - April 04, 2024
- 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: 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: 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

Related Research

- Taiwan Ratings' Ratings Definitions - November 11, 2021

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Ratings List

Rating Affirmation

SYSTEX Corp.

Issuer Credit Rating

twA-/Stable/twA-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.taiwanratings.com for further information. Complete ratings information is available to subscribers of Rating Research Service at rrs.taiwanratings.com.tw. All ratings affected by this rating action can be found on Taiwan Ratings' public website at www.taiwanratings.com.

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