

Media Release:

Sercomm Corp. 'twA-/twA-2' Ratings Affirmed; Ratings Then Withdrawn At The Issuer's Request

May 27, 2025

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **Sercomm Corp.** We then withdrew the ratings at the issuer's request. The outlook at the time of withdrawal was stable.

The ratings and outlook on Sercomm reflect our view of the company's good software development capability, hardware design, and in-house manufacturing, which underpin its market position in the telecommunication equipment industry. In addition, trade tension between China and the U.S. has significantly reduced competition for Sercomm from Chinese telecom equipment suppliers in the U.S. However, Sercomm's limited pricing power against its powerful clients, relatively smaller operating scale, and less-favorable product mix with high concentration in low-margin CPE business could continue to constrain the company's profitability and competitiveness.

The ratings also incorporate our view that Sercomm could continue to generate cash flow for debt repayment and maintain a net cash position over the next two years. Before the ratings withdrawal, we revised our liquidity assessment for Sercomm to "Exceptional" from "Strong" with no rating impact.

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Related Criteria & Research

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - Apr 04, 2024
- Criteria | Corporates | General: Corporate Methodology - Jan 07, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - Jan 07, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - Jun 08, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - Oct 10, 2021
- General Criteria: Group Rating Methodology - Jul 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - Apr 01, 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - Dec 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions - Nov 19, 2013
- General Criteria: Methodology: Industry Risk - Nov 19, 2013
- General Criteria: Principles Of Credit Ratings - Feb 16, 2011

Related Research

– Taiwan Ratings' Ratings Definitions – Nov. 11, 2021

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

Ratings List

Ratings Affirmed

Sercomm Corp.

Issuer Credit Rating	twA-/Stable/twA-2	
	To	From

Ratings Withdrawn

Sercomm Corp.

Issuer Credit Rating	N.R.	twA-/Stable/twA-2
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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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