

Research Update:

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

May 14, 2026

## 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 for Taiwan's military needs, and an expanding business scale in the commercial aircraft segment. AIDC's improving profit margin, limited capital expenditure, and strengthening cash flow generation could help the company to maintain its ratio of debt to EBITDA at 2.5x-3.5x over the next two years, despite its revenue declined by 10% in 2025. In addition, we believe there is a very high likelihood that the company will receive extraordinary government support should AIDC face 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 - July 07, 2025
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions - March 25, 2015
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023

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- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019

## Related Research

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

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## Ratings List

### Ratings Affirmed

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#### Aerospace Industrial Development Corp.

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Issuer Credit Rating	twAA/Stable/twA-1+
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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](http://www.taiwanratings.com) for further information. Complete ratings information is available to subscribers of Rating Research Service at [rrs.taiwanratings.com.tw](http://rrs.taiwanratings.com.tw). All ratings affected by this rating action can be found on Taiwan Ratings' public website at [www.taiwanratings.com](http://www.taiwanratings.com).

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