

Bulletin:

# TCC Group's Ukraine Acquisition Broadens Geographic Diversity

September 29, 2026

This report does not constitute a rating action.

Taiwan Ratings Corp. said today that the acquisition of several Ukraine-based building material companies could slightly enhance TCC Group Holdings Co. Ltd.'s geographic diversity in Europe. That's despite heightening operating risks in Ukraine. We also believe the group can absorb the associated debt increase from the acquisitions without materially weakening its capital structure.

On Sept. 22, 2026, TCC's (twA+/Stable/twA-1) board authorized its subsidiary, TCC Group EMEA Holdings B.V. to acquire 100% of Ivano-Frankivskcement (IFCEM) and three related building material companies in Ukraine at an enterprise value of no more than €750 million. The transaction remains subject to regulatory approvals in Taiwan, Ukraine, and other relevant jurisdictions.

The acquisitions could moderately expand TCC's operating footprint in Europe. IFCEM is Ukraine's second-largest cement producer, with a domestic market share of 35%-40% over the past two years and annual cement capacity of 5.2 million metric tons. The transaction could also bring future benefits for TCC once Ukraine enters a period of post-war reconstruction.

However, although IFCEM's operating sites are located away from the main conflict zones and have so far faced limited disruption, the ongoing war with Russia also exposes the acquired operations to potential production and logistic disruptions, power shortages, asset damage, and labor constraints. In addition, Ukraine's volatile economic conditions, exchange rate volatility, and foreign exchange controls add to business risks which partly offset the transaction's economic benefits.

After factoring in the acquisition, we project TCC's ratio of debt to EBITDA will rise moderately to about 3x in 2027-2028, from 2.5x for the 12 months ended June 30, 2026, which remains commensurate with the ratings. The significant EBITDA generation of the acquired business should also help contain the group's debt leverage, in our view.

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