

Research Update

Uni-President China Holdings Ltd. Ratings Affirmed At 'twAA/twA-1+'; Outlook Stable

June 17, 2019

Rating Action

Taiwan Ratings Corp. today affirmed its 'twAA' long-term and 'twA-1+' short-term issuer credit ratings on **Uni-President China Holdings Ltd.** (UPC). At the same time, we affirmed our senior unsecured issue rating on the company's debt at 'twAA'. The outlook on the long-term rating is stable.

The ratings on UPC reflect the company's core group status within the **Uni-President Enterprises Corp.** group. UPC's standalone credit profile (SACP) reflects the company's good market position as one of the leading food and beverage manufacturers in China, strengthening brand awareness, and satisfactory operating efficiency. The SACP on UPC also reflects our view that the company's stable cash flow and moderating capital expenditure should enable UPC to sustain a net cash position over the next two years. Counterbalancing factors include UPC's relatively small scale compared with the market leader and the company's high business concentration in China's food and beverage sector, which could cause higher business volatility amid a rapidly changing operating environment.

Related Criteria

- General Criteria: Group Rating Methodology - November 19, 2013
- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings - March 28, 2018
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Understanding Taiwan Ratings' Rating Definitions - June 26, 2018
- Criteria | Corporates | Industrials: Key Credit Factors For The Branded Nondurables Industry - May 07, 2015
- 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
- Criteria | Corporates | General: Corporate Methodology - November 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers - November 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

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Ratings List

Ratings Affirmed

Uni-President China Holdings Ltd.

Issuer Credit Ratings twAA/Stable/twA-1+

Unsecured Corporate Bond Issue Rating twAA

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