

Research Update:

# Ratings On YAGEO Corp. Affirmed At 'twA+/twA-1'; Outlook Stable

February 25, 2025

## Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA+' long-term and 'twA-1' short-term issuer credit ratings on **YAGEO Corp.** The outlook on the long-term rating is stable. The ratings on YAGEO reflect the company's good market positions in various passive components, comprehensive product offering securing stable client relationships, and above-average profitability compared to peers.

In addition, the ratings reflect our view that YAGEO could maintain the ratio of debt to EBITDA at about 1.5x over the next 12 to 24 months, given our view that strong AI demand will support YAGEO's profitability. Our forecast also incorporates the likely acquisition of Shibaura Electronics Co. Ltd. in late 2025. Several factors somewhat offset these rating strengths. These include YAGEO's material exposure to standardized products with limited technology barriers resulting in intense competition and volatile pricing, lower market share in certain high value-added applications relative to market leaders, and highly cyclical demand particularly from IT-related applications.

## Related Criteria & Research

### Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - April 04, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- 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: 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

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## Related Research

– Taiwan Ratings' Ratings Definitions – November 11, 2021

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## Ratings List

### Ratings Affirmed

#### YAGEO Corp.

Issuer Credit Rating	twA+/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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