## **Research Update:**

# Zyxel Group Corp. Ratings Affirmed At 'twA-/twA-2'; Outlook Negative

April 22, 2025

# **Rating Action Rationale**

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **Zyxel Group Corp.** The outlook on the long-term rating remains negative. Loss of orders from customers and growing business headwinds stemming from intense competition and trade and geopolitical uncertainty are likely to prevent Zyxel from improving its revenue and profitability during 2025-2026. Nonetheless, we forecast the company could still generate discretionary cash flow and maintain a net cash position over the same period to provide sufficient financial buffer for the ratings. In addition, Zyxel's satisfactory software technology capability could partly alleviate the business risk associated with its limited operating scale, weak brand name, and low bargaining power against major clients.

## Related Criteria & Research

#### **Related Criteria**

- 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: National And Regional Scale Credit Ratings Methodology June 08, 2023
- Criteria | Infrastructure | General: Sector-Specific Project Finance Rating Methodology December 14, 2022
- 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 - Nov. 11, 2021

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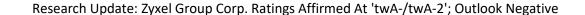
# **Ratings List**

#### **Ratings Affirmed**

Zyxel Group Corp.	
Issuer Credit Rating	twA-/Negative/twA-2

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