

Media Release:

# E Ink Holdings Inc. 'twA-/twA-2' Ratings Affirmed; Liquidity Revised To Strong From Adequate; Outlook Stable

May 22, 2025

## Rating Action Overview

- We believe **E Ink Holdings Inc.** has strengthened its liquidity buffer, supported by improving operating cash flow and high cash balance on hand, despite high capital expenditure (capex) plans for 2025-2026.
- We therefore revised our liquidity assessment for the company to strong from adequate.
- At the same time, we affirmed our 'twA-' long term and 'twA-2' short-term issuer credit ratings on E Ink.
- The stable rating outlook reflects our view that E Ink could sustain its profitability and very low debt leverage in 2025-2026, supported by expanding sales in its electronic shelf label and color e-readers businesses, despite rising macroeconomic uncertainty.

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## Rating Action Rationale

**The ratings continue to reflect E Ink's good position in the e-paper market and very low debt leverage over the next one to two years.** We anticipate the company maintaining its market position as the largest electronic paper material supplier globally over the next one to two years. E Ink's profitability and operating scale could improve in 2025-2026, supported by its comprehensive intellectual properties, improving product performance, and capacity expansion focusing on large-sized color products. However, the company's relatively small business scale and narrower end-product applications compared with mainstream display peers somewhat offset these credit strengths. We forecast E Ink will maintain its debt-to-EBITDA ratio at well below 1x over the next two years, underpinned by the company's relatively stable profitability and conservative debt usage.

**E Ink's liquidity buffer has enhanced under its improving operating cash flow.** We forecast E Ink's operating cash flow will improve to around new Taiwan dollar (NT\$) 10 billion in 2025, compared with NT\$9 billion in 2024. In addition, the company has increased its cash balance to NT\$24.6 billion as of the end of March 2025, up from NT\$21 billion at the end of 2024. These factors provide strong liquidity coverage for E Ink's elevated capex of about NT\$8 billion and about NT\$5.1 billion of cash dividends in 2025. We forecast this will also increase the company's ratio of liquidity sources to uses to 1.8x or higher over the 24 months ending March 2027. We have therefore revised the company's liquidity assessment to strong from adequate.

## 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

### Related Research

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

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## Ratings Score Snapshot

<b>E Ink Holdings Inc.</b>		
	<b>To</b>	<b>From</b>
Issuer Credit Rating	twA-/Stable/twA-2	twA-/Stable/twA-2
Business risk	Fair	Fair
Country risk	Low risk	Low risk
Industry risk	Moderately high risk	Moderately high risk
Competitive risk	Fair	Fair
Financial risk	Modest	Modest
Cash flow/Leverage	Modest	Modest
Anchor	twA	twA
Modifiers		
Diversification/portfolio effect	Neutral (no impact)	Neutral (no impact)
Capital structure	Neutral (no impact)	Neutral (no impact)
Financial policy	Neutral (no impact)	Neutral (no impact)
Liquidity	Strong (no impact)	Adequate (no impact)
Management and governance	Neutral (no impact)	Neutral (no impact)
Comparable ratings analysis	Negative (-1 notch)	Negative (-1 notch)
Stand-alone credit profile	twA-	twA-
The above descriptors are in comparison with global obligors.		

## Ratings List

**Ratings Affirmed**

**E Ink Holdings Inc.**

Issuer Credit Rating	twA-/Stable/twA-2
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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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