

PT Pos Indonesia (Persero)

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2019	Dec-2018	Dec-2017	Dec-2016	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA-/Stable</i>	Total adjusted assets [IDR bn]	10,199.0	8,758.7	7,822.7	5,751.1
Rated Issues		Total adjusted debt [IDR bn]	1,924.8	1,808.3	1,365.5	568.0
<i>MTN Syariah Ijarah I/2018</i>	<i>idA-(sy)</i>	Total adjusted equity [IDR bn]	3,953.8	3,951.6	3,263.8	1,617.3
<i>MTN II/2019</i>	<i>idA-</i>	Total sales [IDR bn]^	2,608.9	5,222.3	4,673.2	4,796.0
Rating Period		EBITDA [IDR bn]	89.7	132.5	245.2	331.2
<i>September 9, 2019 – September 1, 2020</i>		Net income after MI [IDR bn]	10.7	120.7	355.0	430.8
Rating History		EBITDA Margin [%]	3.4	2.5	5.2	6.9
<i>SEP 2018</i>	<i>idA-/Stable</i>	Adjusted debt to EBITDA [X]	*10.7	13.6	5.6	1.7
		Adjusted debt to adjusted equity [X]	0.5	0.5	0.4	0.4
		FFO to adjusted debt [%]	*9.2	5.4	14.2	43.8
		EBITDA to IFCCI [X]	1.6	1.4	3.5	5.3
		USD exchange rate [IDR/USD]	14,141	14,481	13,548	13,436

FFO = EBITDA – IFCCI + gross interest income – current tax expense
EBITDA = operating profit + depreciation expense + amortization expense
IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)
*MI = minority interest ^ = include compensation from the government related to USO operations * = annualized*
The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PEFINDO affirms "idA-" ratings to PT Pos Indonesia (Persero) and its MTN

PEFINDO has affirmed its "idA-" ratings to PT Pos Indonesia (Persero) (POST) and the Company's Medium-Term Notes (MTN) II year 2019 and its "idA-(sy)" rating for POST's MTN Syariah Ijarah I Year 2018. The outlook for the corporate rating is "stable".

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The suffix (sy) means the rating mandates compliance with Islamic principles.

The corporate rating reflects our view on the government's strong support to POST, the Company's strong market position in the parcel and express courier market, particularly in last mile delivery, and the increasing of e-commerce activities with their good growth prospects. The rating is constrained by the high financial leverage amidst structural decline in legacy business, the intense competition and cyclical demand in the parcel and express delivery market, and the execution risks related to expansions.

The rating will be raised if POST's transformation strategies to anticipate the structural decline in legacy business translate into stronger revenue generation and improved profitability, and result in a stronger credit profile on a sustained basis. Conversely, we could lower the rating if the Company adds greater debt than projected amid weaker profitability which would worsen its financial profile exceeds projections and/or loses substantial market share to competitors. We could also lower the rating if there is a significant deterioration in government support, such as through a material divestment of ownership and/or if the compensation from the government is revoke and/or if there is a decreasing public service role for the government.

POST is the national postal service operator that was incorporated in 1906. It traces its roots back to the Dutch system established in 1746 for delivery of mail especially for trading activities, making it the oldest state-owned entity in Indonesia. It collects, processes, and distributes letters and parcel products, and provides various other services, including money transfer and payment services, retail, and property. As of June 30, 2019, it was wholly owned by the Government of Indonesia.

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