

PT Pos Indonesia (Persero)

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Mar-2019	Dec-2018	Dec-2017	Dec-2016
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA-/Stable</i>	Total adjusted assets [IDR bn]	9,253.4	8,758.7	7,822.7	5,751.1
Rated Issues		Total adjusted debt [IDR bn]	1,936.9	1,808.3	1,365.5	568.0
<i>MTN Syariah Ijarah I/2018</i>	<i>idA-sy</i>	Total adjusted equity [IDR bn]	3,944.3	3,951.6	3,263.8	1,617.3
<i>MTN II/2019</i>	<i>idA-</i>	Total sales [IDR bn]^	1,279.2	5,222.3	4,673.2	4,796.0
Rating Period		EBITDA [IDR bn]	69.7	132.5	222.2	331.2
<i>July 24, 2019 – September 1, 2019</i>		Net income after MI [IDR bn]	4.7	120.7	355.0	430.8
Rating History		EBITDA Margin [%]	5.4	2.5	4.8	6.9
<i>SEP 2018</i>	<i>idA-/Stable</i>	Adjusted debt to EBITDA [X]	*6.9	13.6	6.1	1.7
		Adjusted debt to adjusted equity [X]	0.5	0.5	0.4	0.4
		FFO to adjusted debt [%]	*12.0	5.4	12.9	43.8
		EBITDA to IFCCI [X]	2.8	1.4	3.4	5.3
		USD exchange rate [IDR/USD]	14,244	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 assigns "idA-" ratings to PT Pos Indonesia (Persero) and MTN

On September 13, 2018, PEFINDO has assigned its "idA-" ratings to PT Pos Indonesia (Persero) (POST) and the Company's proposed Medium-Term Notes (MTN) of a maximum of IDR1 trillion, with financial statements submitted to us were from fiscal year 2013 to June 2018. The MTN proceeds would be used to refinance bank loans amounting to IDR500 billion and for working capital to support its logistics business. As to the date of this release, the Company has issued MTN of IDR250 billion. The outlook for the corporate rating is "stable". PEFINDO is currently in the process of annual rating monitoring to update the Company's rating, which is expected to be released in early September 2019.

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 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 benefit to the Company of increasing e-commerce activities and their good growth prospects. The rating is constrained by the continued structural decline in the mail sector, POST's high financial leverage for the rating, and the intense competition and cyclical demand in the parcel and express delivery market.

The rating will be raised if POST's transformation strategies to contain the structural decline in mail volumes 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 loses substantial market share to competitors or if its profitability deteriorates. Higher-than-expected debt amid weaker profitability may also pressure the rating. 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 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 March 31, 2019, it was wholly owned by the government of Indonesia.

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