

PT Pos Indonesia (Persero)

Credit Rating(s)

General Obligation (GO)	^{id} BBB+/Stable
MTN POSINDO-02	^{id} BBB+
MTN POSINDO-03	^{id} BBB+

Rating Period

July 12, 2022 – July 1, 2023

Published Rating History

JUL 2021	^{id} BBB+/Stable
SEP 2020	^{id} BBB+/Negative
APR 2020	^{id} BBB+/Negative
SEP 2019	^{id} A-/Stable
SEP 2018	^{id} A-/Stable

Rating Definition

An obligor rated ^{id}BBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. The Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

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PEFINDO has affirmed the ratings for PT Pos Indonesia (Persero) (POST) and its Medium-Term Notes (MTN) POSINDO-02 and POSINDO-03 at ^{id}BBB+. The outlook for the corporate rating is stable.

The corporate rating reflects our view on the government's strong support to POST, its extensive network area, and the increasing e-commerce activities with their good growth prospects. The rating is constrained by the structural decline in the traditional mail sector and high fixed costs, our expectation that its financial leverage will continue to remain high, and intense competition and cyclical demand in the parcel and express courier business.

We may raise the rating if POST's transformation initiatives to cope with the structural decline in its legacy business led to stronger revenue generation and improved profitability, resulting in a stronger financial profile on a sustained basis. However, we may lower the rating if POST's ties and roles to the government were to weaken, such as through a material divestment of ownership or if government's compensation is revoked or if there is a decreasing public service role. We may also lower the rating if its competitiveness weakens markedly, indicated by a substantial loss in market share and weaker profitability, or if it incurs debt greater than projected in the absence of higher profitability, resulting in a higher leverage on a prolonged basis.

POST, established in 1746, is the national postal service operator. It collects, processes, and distributes letters and parcels, in addition to providing various other services, including money transfer and payment services, logistic, retail, and property. As of March 31, 2022, it was wholly owned by the Government of Indonesia.

Financial Highlights

As of/for the year ended	Mar-2022	Dec-2021	Dec-2020	Dec-2019
Consolidated Figure	(Unaudited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	11,096.3	9,639.0	9,078.5	9,386.4
Total adjusted debt [IDR bn]	1,769.8	1,773.5	1,441.2	2,643.3
Total adjusted equity [IDR bn]	6,645.3	5,543.3	4,599.2	4,005.5
Total sales [IDR bn]	1,253.6	4,786.2	5,795.3	5,341.6
EBITDA [IDR bn]	242.3	541.3	652.8	74.3
Net income after MI [IDR bn]	159.3	589.5	345.7	120.2
EBITDA margin [%]	19.3	11.3	11.3	1.4
Adjusted debt/EBITDA [X]	*1.8	3.3	2.2	35.6
Adjusted debt/adjusted equity [X]	0.3	0.3	0.3	0.7
FFO/adjusted debt [%]	*44.5	25.0	34.5	0.1
EBITDA/IFCCI [X]	4.4	3.4	3.1	0.5
USD exchange rate [IDR/USD]	14,349	14,269	14,105	13,901

FFO = EBITDA – IFCCI + 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

*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.

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.