

## PT Pos Indonesia (Persero)

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
		<b>Mar-2021</b>	<b>Dec-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	
<b>Corporate Rating</b>	<i>idBBB+/Stable</i>	(Unaudited)	(Audited)	(Audited)	(Audited)	
<b>Rated Issues</b>		11,363.9	9,078.5	9,386.4	8,758.7	
<i>MTN Syariah Ijarah I/2018</i>	<i>idBBB+(sy)</i>	1,413.8	1,441.2	2,643.3	1,808.3	
<i>MTN POSINDO-01</i>	<i>idBBB+</i>	5,080.1	4,599.2	4,005.5	3,951.6	
<i>MTN POSINDO-02</i>	<i>idBBB+</i>	1,399.8	5,795.3	5,341.6	5,222.3	
<b>Rating Period</b>		243.7	652.8	74.3	238.5	
<i>July 2, 2021 – July 1, 2022</i>		139.5	345.7	120.2	120.7	
<b>Rating History</b>		17.4	11.3	1.4	4.6	
<i>SEP 2020</i>	<i>idBBB+/Negative</i>	*1.5	2.2	35.6	7.6	
<i>APR 2020</i>	<i>idBBB+/Negative</i>	0.3	0.3	0.7	0.5	
<i>SEP 2019</i>	<i>idA-/Stable</i>	*60.4	34.5	0.1	11.3	
<i>SEP 2018</i>	<i>idA-/Stable</i>	5.9	3.1	0.5	2.5	
		14,572	14,105	13,901	14,481	

*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.*

### PT Pos Indonesia (Persero) rated "idBBB+" with stable outlook

PEFINDO has affirmed the ratings for PT Pos Indonesia (Persero) (POST) and its Medium-Term Notes (MTN) POSINDO-01 and POSINDO-02 at "idBBB+". We have also affirmed its MTN Syariah Ijarah I/2018 at "idBBB+(sy)". We have revised the outlook for the corporate rating to "stable" from "negative". The outlook revision reflects better than expected financial profile through 2020 amid Covid-19 and our expectation that POST will maintain its financial parameters at a level commensurate with the current rating over the next 12-18 months.

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. However, adverse economic conditions or changing circumstances would be likely to weaken its capacity to meet its financial commitments. The plus (+) sign indicates that the rating is relatively strong 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, its extensive network area, and the increasing of e-commerce activities with their good growth prospects. The rating is constrained by the structural decline in traditional mail sector, our expectation that its debt leverage will continue to remain high, and intense competition and cyclical demand in the parcel and express courier business.

The rating may be raised if POST's transformation initiatives to anticipate the structural decline in legacy business translate into stronger revenue generation and improved profitability, and result in a stronger financial profile on a sustained basis. We may 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. We may also lower the rating if there is a material erosion in POST's competitive position, 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 which results in its leverage being more aggressive on a prolonged basis.

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, logistic, retail, and property. As of March 31, 2021, it was wholly owned by the Government of Indonesia.

**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*