**Interdisciplinary Social Studies**
P-ISSN: 2808-0467
E-ISSN: 2808-5051

# ANALYSIS OF FINANCIAL PERFORMANCE BASED ON FINANCIAL RATIOS AT PT. GARUDA INDONESIA TBK LISTED ON THE IDX IN 2021-2023

**Dinda Arnelia Suryani[1], Heleun Auliasari[2], Erwin Budianto[3]***
Universitas Swadaya Gunung Jati, Cirebon, Indonesia
Email: dinda.121020044@ugj.ac.id, heleun.121020060@ugj.ac.id, erwinbudianto@ugj.ac.id
Koresponden: erwinbudianto@ugj.ac.id

***Keywords:***

Financial performance, liquidity ratio, solvency, profitability, Garuda Indonesia, financial ratio analysis

**ABSTRACT**

PT Garuda Indonesia Tbk, Indonesia's national airline, has experienced prolonged financial distress caused by operational inefficiencies, debt mismanagement, and the significant impact of the COVID-19 pandemic. Despite its strategic role in national connectivity and global reputation, Garuda continues to struggle in maintaining liquidity, solvency, profitability, and asset efficiency. This study aims to assess the company's financial performance during the 2021–2023 period using key financial ratios. A descriptive quantitative method was employed, analyzing secondary data from the company's official financial statements. The assessment covered four key ratios: liquidity (quick ratio and operating cash flow ratio), solvency (debt-to-asset and cash flow-to-debt), profitability (return on assets and net profit margin), and activity (total and fixed asset turnover). Results indicate slight improvements in liquidity and solvency, but performance remains below standard benchmarks. Profitability was volatile, with a significant recovery in 2022 followed by a decline in 2023. Asset efficiency remained weak throughout the period. These findings reveal Garuda's unstable financial condition and the urgency for strategic restructuring. The study highlights the need for improved asset utilization, sustainable cost management, and continued financial monitoring to support recovery. Future research may explore qualitative factors like management strategies and industry dynamics.

*This is an open access article under the CC BY-SA license.*

## INTRODUCTION

Indonesia is an archipelagic country with more than 17,000 islands, transportation is certainly important to connect its regions quickly. In this regard, aircraft play an important role as a major means of transportation connecting different regions for human mobility, distribution of goods, and economic growth. Air transportation is essential for national development due to its speed and wide range. Indonesia has experienced aircraft growth in recent decades (Hussain, 2023; Schäfer & Waitz, 2014; Sun et al., 2021; Thums et al., 2023; Yoo et al., 2024). The main driving factors are increased public mobility, increased domestic and international tourism, and increased business activities. The sector is also assisted by the government through infrastructure development, such as updating airports, building air navigation facilities, and opening access to remote areas. This effort improves accessibility and encourages equitable inter-regional development.

The aviation business in Indonesia is supported by many of its airlines. As a national airline (flag carrier), Garuda Indonesia is known for its full service that prioritizes comfort and quality customer service. With an extensive network and domestic and international routes, the airline is the first choice for the public (Olyvia & Matoati, 2020; Prasetyo & Wahyudi, 2020; PT Garuda Indonesia, 2021; Salma, 2021). In addition, Citilink Indonesia, a subsidiary of Garuda Indonesia, offers low-cost flight services for people who need an economical but still comfortable flight. Lion Air Group joins Batik Air, which offers full-service, and Lion Air, which offers cheap flights to various destinations.

Lion Air Group is another major player in this field, with Lion Air offering low-cost flights to various destinations and Batik Air offering full service. The group also owns Wings Air, which focuses on short-haul flights to remote areas (Devilia et al., 2023; Dian Octaviani et al., 2023). In addition, other airlines such as Sriwijaya Air and NAM Air help connect major cities with smaller regions. Air Asia Indonesia, part of the Air Asia Group, also plays an important role with a focus on low-cost domestic and international flights. This competition between airlines has a positive impact on the aviation industry in Indonesia. People now have more options in terms of routes, prices, and services as per their needs. In addition, the existence of many airlines also encourages the improvement of service quality to remain competitive. With its great potential, air transportation continues to be a key pillar in supporting community mobility and economic development in Indonesia (Latief et al., 2016).

PT Garuda Indonesia Tbk is one of Indonesia's national airlines that has been operating since 1949 and has become the largest airline in Southeast Asia. During the 2017-2023 period, PT Garuda Indonesia faced various major challenges in maintaining its financial stability. Based on the company's financial statements, PT Garuda Indonesia recorded a loss of USD 213.4 million in 2017, although in 2019 the company recorded revenue of USD 4.5 billion, the company also still suffered a loss of USD 38.9 million. The problems faced by PT Garuda Indonesia Tbk are not only in the losses it experienced, but there are also other internal problems such as what happened in 2019 and then reported from the second okezone.com the President Director of PT Garuda Indonesia Tbk was reluctant to sign the 2018 financial statements because there were allegedly irregularities in the financial statements which recorded a net profit of USD 809.85 thousand, a drastic jump from a loss of USD 213.4 million in 2017. After a re-audit, results were obtained showing that receivables amounting to USD 239.94 million from PT Mahata Aero Teknologi were recorded as income, even though USD 28 million of them were profit sharing that had to be paid by PT. Mahata Aero Technology. In 2019 there were many internal and external problems faced by PT. Garuda Indonesia Tbk, apart from the previous financial scandal problem, this has lowered public and investor confidence in this proud Indonesian airline.

In addition, in the midst of various polemics faced by PT. Garuda Indoneisa Tbk, the COVID-19 pandemic that hit in 2020 also had a significant impact not only on PT Garuda Indonesia but also on the aviation industry. Based on reports from Katadata and CNBC Indonesia, the airlines that have been significantly affected by this pandemic include Garuda Indonesia, AirAsia Indonesia, Sriwijaya Air, Lion Air, and Citilink are the most affected airlines. In 2017, Garuda Indonesia recorded a loss of USD 213.4 million (Rp 2.87 trillion), while Sriwijaya Air began to show liquidity difficulties despite its more limited data. In 2019, Garuda recorded revenue of USD 4.5 billion, but still suffered a loss of USD 38.9 million. The pandemic in 2020 exacerbated the situation: Garuda's revenue declined by 67%, with losses reaching USD 1.07 billion (Rp 15.1 trillion), while Sriwijaya and Lion Air canceled hundreds of flights due to low demand. AirAsia Indonesia in 2021 suffered a loss of IDR 1.9 trillion, while Citilink as a subsidiary of Garuda was also affected, even though its financial statements are often integrated with its parent. Although the national economic condition began to recover, which began to be seen in 2021 with a growth of 3.69%, and continued to increase until it reached 5.31% in 2022. In the fourth quarter of 2023, economic growth was recorded at 5.04% (based on data from the Indonesian Central Statistics Agency) Garuda remains the airline with the worst financial problems, considering that its debt reached more than USD 10 billion before the restructuring. On the other hand, Lion Air and Citilink are relatively more stable but still face operational pressures.

According to Sujarweni (2019), financial ratio analysis is an activity to analyze financial statements by comparing one account with another in the financial statements, the comparison is biased between accounts in the balance sheet financial statements and profit and loss. Meanwhile, according to Irfani (2020), financial ratio analysis is the main instrument or analysis tool used to measure a company's financial performance which includes liquidity, solvency/leverage, asset management efficiency/activities, profitability, and the company's market value ratio.

This theory is supported by research conducted by Mariano et al. (2024) regarding "Financial Ratio Analysis as a Tool to Assess the Financial Performance of Airline Company PT. Citylink Indonesia for the 2019-2022 Period" which shows an assessment of financial performance based on the financial ratio of solvency and profitability at PT Citylink Indonesia during the 2019-2022 period experienced an increase in financial risk, even though the company's profitability showed improvement. In addition, another research was also conducted by Mutmainah, et al (2023) regarding "Financial Performance Analysis Using Liquidity Ratio and Solvency Ratio at PT. Garuda Indonesia Tbk" shows that during the 2020-2022 period, PT Garuda Indonesia Tbk's financial performance was considered unhealthy based on the liquidity and solvency ratio.

Based on previous research, it was found that financial ratio analysis can be used to assess the quality of a company's financial performance in a certain period. According to Sutrisno in Hutabarat (2020) stated that the company's financial performance is an achievement that has been achieved by the company in a certain period which reflects the company's level of health. Analysis of financial ratios such as liquidity, solvency, profitability and activity.

It is an important indicator in assessing whether a company has a high or low level of financial health. The previous research only discussed financial ratio analysis based on one of liquidity, solvency, or profitability. The lack of research on the assessment of the financial performance of airline companies, especially in PT Garuda Indonesia Tbk based on various financial ratios, creates a gap in research results that show the company's financial performance based on financial ratios (Fitriyani, 2023; Hastuti et al., 2021; Ichsan Siregar et al., 2020; Latif, 2023). PT Garuda Indonesia Tbk, as Indonesia's national flagship airline, has experienced significant financial instability over the past several years, exacerbated by operational inefficiencies, leadership scandals, and the devastating effects of the COVID-19 pandemic. Despite being a major player in the Southeast Asian aviation market, Garuda continues to face challenges in maintaining liquidity, solvency, profitability, and asset efficiency. This situation raises critical questions about the airline's financial health and sustainability, especially as it remains under scrutiny from investors, regulators, and the public. The urgency of analyzing Garuda's financial performance lies in its strategic role within Indonesia's transportation infrastructure. As the nation's flag carrier, Garuda is essential not only for passenger mobility but also for economic development and international representation. With a mounting debt burden exceeding USD 10 billion before restructuring and recurring losses, understanding its financial viability is crucial for national economic resilience and investor confidence.

In addition, the competitive pressure from other domestic and regional airlines—such as Lion Air, Citilink, and AirAsia—forces Garuda to reassess its financial strategies to survive in a post-pandemic environment. A comprehensive financial ratio analysis offers a clear picture of whether the company is on a path to recovery or further decline. Without objective, data-driven insights, stakeholders risk making uninformed decisions that could jeopardize recovery and national transportation security.

Mutmainah et al. (2023) analyzed the liquidity and solvency ratios of Garuda Indonesia from 2020 to 2022, concluding that the airline was in poor financial health, particularly in meeting short-term obligations. Similarly, Mariano et al. (2024) conducted financial ratio analysis on Citilink Indonesia and found rising financial risks despite profitability gains, highlighting sector-wide volatility and risk exposure.

Handayani & Handayani (2023) and Pratama & Giovanni (2022) also examined Garuda's financial structure, finding persistent imbalances between assets and liabilities, especially in terms of debt-servicing ability. They noted that although profitability indicators showed signs of recovery, the company's overall solvency remained weak.

Yulianto et al. (2024) conducted a comparative study of Garuda Indonesia's performance before and during the pandemic, showing sharp declines in liquidity and asset efficiency. Their study revealed how external shocks, like COVID-19, intensified pre-existing financial weaknesses. However, most of these studies focused on individual ratios or specific periods, lacking a holistic, multi-year evaluation using all core financial ratios.

While numerous studies have explored Garuda Indonesia's financial challenges, most focus on isolated indicators—such as liquidity or solvency—without integrating the full spectrum of financial performance ratios over a multi-year timeline. Furthermore, limited research provides a consolidated assessment covering liquidity, solvency, profitability, and activity ratios in the aftermath of COVID-19. This study addresses that gap by conducting a comprehensive analysis of Garuda's financial performance from 2021 to 2023.

This research provides a novel, integrated evaluation of Garuda Indonesia's financial performance using four core financial ratios—liquidity, solvency, profitability, and activity—over a critical three-year period. By analyzing post-pandemic financial recovery and instability trends using industry-standard benchmarks, the study offers a more complete picture of the airline's operational health, positioning it as a reference for future crisis-responsive financial assessments in the aviation sector.

The objective of this study is to evaluate the financial performance of PT Garuda Indonesia Tbk for the period 2021–2023 through a detailed analysis of its liquidity, solvency, profitability, and activity ratios, in order to assess the company's financial condition and provide strategic recommendations for recovery and sustainability.

This study provides valuable insights for policymakers, investors, financial analysts, and airline executives by delivering a comprehensive overview of PT Garuda Indonesia's financial health. It aids decision-making in financial restructuring, operational improvements, and regulatory oversight, while contributing to academic literature on post-crisis financial recovery in the airline industry.

## METHOD

This study uses a quantitative descriptive approach. According to Sulistyawati, Wahyudi, & Trimuryono (2022) Quantitative Descriptive Research is research that describes, examines, and explains a phenomenon with data (numbers) as it is without the intention of testing a specific hypothesis. This approach was chosen for this study because it allows researchers to systematically collect, process, and understand financial ratio data to get a comprehensive picture of PT Garuda Indonesia Tbk's financial performance during the 2021-2023 period.

The main type of data used in this study is secondary data. Secondary data refers to information that has been collected, organized, and published by other parties for purposes that may not be directly related to the study. This secondary data includes various types of publicly available documents and reports, which are used to analyze the financial performance of PT Garuda Indonesia Tbk.

The data for this study was taken from the official annual report of PT. Garuda Indonesia Tbk for the 2021-2023 period. The data sources used are the company's official website and the annual report published by PT. Garuda Indonesia Tbk on the website of the Indonesia Stock Exchange. Thus, the data source used in this study is an external data source.

A whole group of all elements that have certain characteristics and are within the scope of research. This research was conducted in the Aviation Sector that has been listed on the IDX. In this study, the research population is PT. Garuda Indonesia Tbk.

A sample is a part of the population that is selected or taken to represent the entire population. The sample in this study is PT. Garuda Indonesia Tbk is the Financial Statements for the 2021-2023 period. The sample selection in this study was carried out using the Saturated Sample technique. Saturated Sample is a sampling technique in which all members of the population are used as a sample. This is often done when the population is relatively small, less than 30 people, or with very small errors. Saturated samples are also called census terms, where all members of the population are sampled. Masturoh (2018).

In conducting research on the analysis of financial ratios of PT. Garuda Indonesia Tbk for the period 2021-2023, the data collection techniques carried out by the author include:

The researcher conducted a review of the content of documentation obtained from secondary data, namely by collecting, disfiguring, and reviewing documents about the financial data of PT. Garuda Indonesia Tbk listed on the Indonesia Stock Exchange (IDX) in 2021-2023.

## RESULTS AND DISCUSSION

The research object used by PT Garuda Indonesia Tbk. This research will look at the company's financial performance in 2021-2023 using liquidity ratio, solvency ratio, profitability ratio, and activity ratio.

### Financial Performance Assessment Analysis

### Financial Performance Based on Liquidity Ratio

**Table 1. Comparison of *Quick Ratio* dan *Operating Cash Flow Ratio* PT Garuda Indonesia Tbk. With Standard Ratio**

| ***Quick Ratio*** | | | |
|---|---|---|---|
| **Year** | ***Quick Ratio*** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | 0.0403 | 1,5 times | Illiquid |
| 2022 | 0.4361 | | Illiquid |
| 2023 | 0.4613 | | Illiquid |
| ***Operating Cash Flow Ratio*** | | | |
| **Year** | ***Operating Cash Flow Ratio*** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | 0.01 | 1 times | Illiquid |
| 2022 | 0.16 | | Illiquid |
| 2023 | 0.19 | | Illiquid |

***a. Quick Ratio***

Based on table 4.9, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on the liquidity ratio projected by the quick ratio. In 2021, PT Garuda Indonesia was in an illiquid condition because the quick ratio value was 0.0403 times < 1.5 times based on the

standard ratio value. This is due to the high current debt owned by the company compared to the most current assets/assets it owns so that the company in a condition that is illiquid or less able to cover its current liabilities with the most current assets it has.

In 2022, although this ratio increased from the previous year, the company is still in poor condition because the quick ratio value is 0.4361 times < 1.5 times based on the ratio standard. This is because the company's total current debt is still high when compared to the most current assets it owns so that the company is still in an illiquid condition. In 2023, this ratio also shows better numbers than before, but the company's condition is still in a bad position because the quick ratio value is 0.4613 times < 1.5 times based on the standard ratio.

The illiquidity experienced by PT Garuda Indonesia Tbk is mainly due to the accumulation of current debt that is far greater than current assets, where this debt mainly comes from operational financing such as aircraft leases with above-market prices, bank and financial institution loans for working capital, and other operational obligations. In addition, mismanagement in managing the fleet and inefficient routes, as well as the impact of the COVID-19 pandemic which suppressed revenue, further exacerbated the company's inability to meet its short-term obligations, so that the quick ratio remained below industry standards and the company remained in an illiquid condition.

***b. Operating Cash Flow Ratio***

Based on table 4.9, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on the liquidity ratio projected by the operatin cash flow ratio. In 2021, PT Garuda Indonesia was in an illiquid condition because the operating cash flow ratio value was 0.01 times < 1 time based on the standard ratio value. This is due to the high current debt owned by the company compared to the cash flow from its operations so that the company is in an illiquid condition or is not able to cover its current liabilities with cash flow obtained from operations.

In 2022, although this ratio increased from the previous year, the company is still in poor condition because the operating cash flow ratio value is 0.16 times < 1 time based on the standard ratio. This is because the company's total current debt is still high when compared to the cash flow from its operations so that the company is still illiquid.

In 2023, this ratio also shows better numbers than before, but the company's condition is still in a bad position because the quick ratio value is 0.19 times < 1 time based on the ratio standard. This is because although total current debt has decreased from before, when compared to the total cash flow from operations owned, the total current debt is still much higher, so the company is still in an illiquid condition.

The condition of PT Garuda Indonesia's operating cash flow ratio in 2021–2023, in addition to being influenced by high current liabilities and the implementation of PSAK 73 which increases lease obligations, was also reinforced by the impact of the COVID-19 pandemic which caused a drastic decrease in the number of passengers by 90% at the beginning of the pandemic and plummeting operating income, so that cash flow from operations was very minimal. Meanwhile, the company still has to pay fixed costs such as aircraft rental, employee salaries, and maintenance, which cannot be stopped even though income has dropped sharply. As a result, the company's ability to pay current liabilities from operating cash flow is very limited, and this is exacerbated by the accumulation of debt that continues to swell, so that the operating cash flow ratio remains below the industry standard and the company is in a continuously illiquid condition.

**4.1.2. Financial Performance Based on Solvency Ratio**

**Table 2. Comparison of the *Debt to Asset Ratio* and *Cash Flow to Debt Ratio* of PT Garuda Indonesia Tbk. with Standard Ratios**

| ***Debt to Asset Ratio* (DAR)** | | | |
|---|---|---|---|
| **Year** | **DAR** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | 185% | 35% | Insolvable |
| 2022 | 125% | | Insolvable |
| 2023 | 119% | | Insolvable |

| *Cash Flow to Debt Ratio* | | | |
|---|---|---|---|
| **Year** | ***Cash Flow to Debt Ratio*** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | 1% | 20% | Insolvable |
| 2022 | 3% | | Insolvable |
| 2023 | 3% | | Insolvable |

***a. Debt to Asset Ratio***

Based on table 4.10, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on the solvency ratio projected by the debt to asset ratio. In 2021, PT Garuda Indonesia was in an insolvent condition because the debt to asset ratio value was 185% > 35% based on the standard ratio value. This shows that most of the

The assets/assets owned by the company are financed by debt, so the debt to asset ratio describes the company in an insolvent condition.

In 2022, although this ratio is better than the previous year, the company is still in a bad condition because the debt to asset ratio value is 125% > 35% based on the standard ratio. This shows that although the total assets/assets owned by the company have decreased from the previous year, the ratio shows that the company's condition is still in an insolvent state which means that most of the assets/assets owned by the company are still financed by debt.

In 2023, this ratio also shows better numbers than before, but the company's condition is still in a bad position because the debt to asset ratio value is 119% > 35% based on the standard ratio. This again shows that the company is still in an insolvent condition despite the increase in the assets owned by the company and a decrease in total debt.

This happened because PT Garuda Indonesia is under severe financial pressure due to large debts and negative equity, so that the company continues to record consecutive losses and has difficulty meeting its financial obligations, even though it has restructured its debt and received capital injections from the government and is trying to improve operational efficiency, but insolvency conditions still loom because of very high interest and financial expenses and revenues that are not enough to cover these costs, even to the point of being forced to retire some of its aircraft fleet due to difficulty paying maintenance costs.

***b. Cash Flow to Debt Ratio***

Based on table 4.10, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on the solvency ratio projected by the cash flow to debt ratio. In 2021, PT Garuda Indonesia was in an insolvent condition because the cash flow to debt ratio value was 1% < 20% based on the standard ratio value. This shows that the small amount of cash flow from operations causes the company to be unable to cover all of its debts from operating cash flow.

In 2022, although this ratio is better than the previous year, the company is still in poor condition because the cash flow to debt ratio value is 3% < 20% based on the standard ratio. This shows that although total cash flow from operations has increased, the company is still struggling to meet all of its debts from operating cash flow.

In 2023, this ratio will also show the same number as before, so the company's condition is still in a bad position because the cash flow to debt ratio value is 3% < 20% based on the ratio standard. This again shows that the company is still in an insolvent condition, this condition is also caused by a decrease in the amount of cash flow from operations and an increase in the amount of debt owned by the company.

Based on the analysis of the financial performance of PT. Garuda Indonesia Tbk., the low value of the cash flow to debt ratio in 2021-2023 shows that the company is having difficulty in meeting its debt obligations from operating cash flow, so that it is in an insolvent condition. The main cause of this condition is a significant decline in revenue and operating cash flow due to the impact of the Covid-19 pandemic that hit the transportation and tourism sectors, where flight demand fell drastically and the company's operations were hampered. In addition, PT Garuda Indonesia is also facing an increasing debt burden due to accumulated losses over the past few years and high funding needs to maintain operations and debt restructuring. Currently, the company is trying to carry out efficiency, debt restructuring, and requesting cash injections from the government, but internal challenges such as suboptimal debt management and liquidity pressures are still the main obstacles in improving its financial condition.

**4.1.3. Financial Performance Based on Profitability Ratio**

**Table 3. Comparison of *Return on Asset Ratio* dan *Net Profit Margin Ratio* PT Garuda Indonesia Tbk. With Standard Ratio**

| ***Return on Asset* (ROA)** | | | |
|---|---|---|---|
| **Year** | **ROA** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | -58% | 30% | *Unprofitable* |
| 2022 | 60% | | *Profitable* |
| 2023 | 4% | | *Unprofitable* |
| ***Net Profit Margin* (NPM)** | | | |
| **Year** | **NPM** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | -312% | 20% | Bad |
| 2022 | 178% | | Good |
| 2023 | 9% | | Bad |

***a. Return on Asset Ratio***

Based on table 4.11, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on the profitability ratio projected by return on assets. In 2021, PT Garuda Indonesia was in an unprofitable condition because the return on asset value was -58% < 30% based on the standard ratio value. This clearly happened because the company suffered considerable losses so that the company could not make a profit and shows that the company cannot manage its assets/assets effectively to generate profits.

In 2022, this ratio shows a better figure than the previous year, so the company can switch in good condition because the return on asset value is 60% > 30% based on the ratio standard. This is due to a significant increase in profit so that it increases the value of the ratio, besides that it also shows that the company has more effectively managed its assets/assets even though the number has decreased so that it can increase profit.

In 2023, this ratio again shows a worse number than before, so that the company's condition is again in a bad position because the return on asset value is 4% < 30% based on the ratio standard. This is due to a decrease in the amount of net profit obtained by the company and an increase in the number of assets/assets owned, this shows that the company is less effective in managing the assets/assets it owns to obtain profits.

This condition occurs because the main problem faced by PT Garuda Indonesia Tbk is a combination of a swollen debt burden due to aircraft rental costs above the industry average, a very high fixed cost structure, and the impact of the Covid-19 pandemic which has caused revenue to plummet and liquidity to be depressed. In addition, the company also faces operational inefficiencies, unprofitable route management, as well as weak internal controls and management conflicts of interest, so that financial performance is very volatile and the company has difficulty generating profits from its assets.

***b. Net Profit Margin Ratio***

Based on table 4.11, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on the projected profitability ratio by net profot margin. In 2021, PT Garuda Indonesia was in poor condition due to the net profit margin value of -312% < 20% based on its standard ratio value. This is clearly happening because the company has suffered considerable losses so that the company cannot get maximum profit from the sales made.

In 2022 this ratio shows a better number than the previous year, so the company can switch in good condition because the net profit margin value is 178% > 30% based on the ratio standard. This is due to a

significant increase in profit so that it increases the value of the ratio, besides that this is also due to an increase in sales made by the company.

In 2023, this ratio again shows a worse number than before, so that the company's condition is again in a bad position because the net profit margin value is 9% < 20% based on the ratio standard. This is due to a decrease in the amount of net profit earned by the company even though sales have increased. As such, NPM fluctuations are mainly influenced by non-operational factors such as debt restructuring in 2022 and adjustments to operating conditions and demand recovery in 2023.

### 4.1.4. Financial Performance Based on Activity Ratio

**Table 4. Comparison of *Total Asset Turn Over Ratio* and *Fixed Asset Turn Over* Ratio PT Garuda Indonesia Tbk. With Standard Ratio**

| ***Total Asset Turnover* (TATO)** | | | |
|---|---|---|---|
| **Year** | **TATO** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | 0.19 | 2 times | *Inefficient* |
| 2022 | 0.34 | | *Inefficient* |
| 2023 | 0.44 | | *Inefficient* |
| ***Fixed Asset Turnover* (FATO)** | | | |
| **Year** | **FATO** | **Standard Ratio** | **Condition of PT Garuda Indonesia Tbk** |
| 2021 | 0.23 | 5 times | *Inefficient* |
| 2022 | 0.46 | | *Inefficient* |
| 2023 | 0.57 | | *Inefficient* |

***a. Total Asset Turn Over Ratio***

Based on table 4.11, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on activities projected by total asset turnover. In 2021, PT Garuda Indonesia was in poor condition due to the value of total asset turnover of 0.19 times < 2.times based on the standard value of the ratio. This shows that companies are less able to use their total assets/assets efficiently to generate sales.

In 2022, although this ratio shows a better number than the previous year, the company is still in a bad condition because the value of total asset turnover is 0.34 times < 2 times based on the standard ratio. Although sales this year have increased, the ratio shows that the company is still less able to manage its assets/assets efficiently to generate sales.

In 2023, this ratio again shows better numbers than before, but the company's condition is still in a bad position because the value of total asset turnover is 0.44 times < 2 times based on the standard ratio. This is due to an increase in total assets/assets even though sales have increased.

The condition of the total asset turnover ratio of PT. Garuda Indonesia Tbk which is still below the industry standard in 2021, 2022, and 2023 can be explained by several main factors. First, during this period, the company was still in the process of post-pandemic recovery and restructuring, where asset growth (such as the addition of fixed assets or new investments) was faster than the increase in sales, so that the ratio value remained low even though sales increased. Second, the aviation industry which was greatly affected by macroeconomic conditions and changes in demand made it difficult for the company to optimize the utility of all its assets to generate maximum income. Third, the results of horizontal and vertical analysis did show significant improvements in asset management and reduction of liabilities, but the increase in sales had not fully caught up with the growth in total assets, so that the turnover ratio remained below the industry standard.

***b. Fixed Asset Turn Over Ratio***

Based on table 4.11, it can be seen that the comparison of the financial performance of PT. Garuda Indonesia Tbk with a standard ratio based on activities projected by fixed asset turnover. In 2021, PT Garuda Indonesia was in poor condition because the fixed asset turnover value was 0.23 times < 5 times based on the standard ratio value. This shows that companies are less able to use their fixed assets efficiently to generate sales.

In 2022, although this ratio shows a better number than the previous year, the company is still in a bad condition because the value of fixed asset turnover is 0.46 times < 5 times based on the standard ratio. Although sales this year have increased, the ratio shows that the company is still incapable of efficiently managing its fixed assets/fixed assets to generate sales.

In 2023, this ratio again shows better numbers than before, but the company's condition is still in a bad position because The value of fixed asset turnover is 0.57 times < 5 times based on the standard ratio. This is due to an increase in total assets/fixed assets even though sales have increased.

The condition of the fixed asset turnover ratio of PT. Garuda Indonesia Tbk which is still below the industry standard (an average of 5 times) in 2021 to 2023, although it has improved every year, shows that the company has not been able to optimally utilize its fixed assets to support sales. This can be caused by several factors, such as large investments in fixed assets (for example, the addition of aircraft fleets, maintenance facilities, or new technology) that have not fully contributed to a proportional increase in revenue, as well as the still high operational costs and depreciation that must be borne by the company. In addition, although sales have increased from year to year, fixed asset growth that is faster than sales growth has caused the fixed asset turnover ratio to remain low. General asset turnover data also shows a similar trend, where PT Garuda Indonesia's asset turnover is still far below the industry standard, even in 2020 it was very low due to the impact of the pandemic, and although there was improvement in the following years, the efficiency of fixed asset use has not reached the expected level

**4.2. Financial Performance Assessment Analysis**

**4.3. Results of Financial Performance Analysis**

**4.3.1. Results of Financial Performance Analysis Based on Liquidity Ratio**

The results of the financial performance analysis based on the liquidity ratio with the quick ratio and operating cash flow ratio show that PT. Garuda Indonesia Tbk's financial performance during 2021-2023 is in illliquid condision. The quick ratio which is far below the standard (1.5 times) indicates that the company is having difficulty covering its current liabilities with available current assets, especially due to the high current liabilities originating from operational financing such as aircraft leases, bank loans, and other operational liabilities. In addition, management errors in managing the fleet, inefficient routes, and the impact of the COVID-19 pandemic which has suppressed revenues, have further exacerbated the company's inability to meet its short-term obligations. Likewise, the operating cash flow ratio which remains below the industry standard (usually at least 1 time) indicates that the cash flow generated from operating activities is not sufficient to pay the company's current liabilities. This condition is exacerbated by the high current liabilities and the implementation of PSAK 73, as well as the impact of the pandemic which has caused a drastic decline in revenue and operating cash flow. As a result, PT Garuda Indonesia remains in an illiquid condition because current debt continues to swell, while available cash flow is very limited and is unable to cover the company's short-term obligation payment needs.

**4.3.2. Results of Financial Performance Analysis Based on Solvency Ratio**

The results of the financial performance analysis based on the projected solvency ratio with the debt to asset ratio and cash flow to debt ratio show the financial performance of PT. Garuda Indonesia Tbk during 2021-2023 was in an insolvent condition. Analysis of Debt to Asset Ratio and Cash Flow to Debt Ratio of PT Garuda Indonesia Tbk shows that the company is in a serious state of insolvency. The Debt to Asset Ratio which far exceeds the industry standard (between 119% to 185% compared to the standard of 35%) in 2021-2023 indicates that most of the company's assets are financed by debt and negative equity, so that the company is unable to finance all of its obligations from its own capital. This condition is exacerbated by the high debt burden, accumulated losses, and liquidity pressures which cause the company to have difficulty meeting financial obligations and must rely on cash injections and debt restructuring from the government. In addition, the low cash flow to debt ratio which is only around 1-3% of the expected standard (20%) in the same period, indicates that PT Garuda Indonesia is unable to cover its debt obligations from operating cash flow. The decline in revenue and operating cash flow due to the impact of the Covid-19 pandemic and the high need for operational funding have further worsened the company's financial condition. Efforts to increase efficiency, debt restructuring, and capital injections from the government have not been sufficient to improve the

company's financial condition in the short term, so that liquidity and solvency challenges remain major issues that must be addressed.

#### 4.3.3. Results of Financial Performance Analysis Based on Profitability Ratio

The results of the financial performance analysis based on the projected profitability ratio with return on assets and net profit margin show the financial performance of PT. Garuda Indonesia Tbk during 2021 and 2023 in good condition unprofitable. Based on the analysis of the Return on Asset (ROA) and Net Profit Margin (NPM) ratios at PT. Garuda Indonesia Tbk, it can be seen that the company's financial condition is very volatile and is greatly influenced by internal and external factors. In 2021, the company suffered major losses due to high debt burdens, inefficient operating costs, and the impact of the Covid-19 pandemic which caused revenue to plummet and liquidity to be suppressed, so that the ROA and NPM ratios were far below industry standards. However, in 2022 there was a significant improvement due to debt restructuring and operational recovery, so that both ratios increased above industry standards, although this condition did not last long. In 2023, financial performance declined again due to a decrease in net profit and inefficiency in asset management, so that the ROA and NPM ratios were again below standard. This fluctuation shows that PT. Garuda Indonesia Tbk still faces serious challenges in managing assets and operating costs, and is very vulnerable to changes in external conditions. Therefore, the company needs to make comprehensive improvements in operational efficiency, debt management, and strengthening internal governance in order to achieve stable and sustainable financial performance.

#### 4.3.4. Results of Financial Performance Analysis Based on Activity Ratio

The results of the financial performance analysis based on the ratio of projected activities to total asset turnover and fixed asset turnover show that the financial performance of PT. Garuda Indonesia Tbk during 2021-2023 was in an inefficient condition. t can be seen that the company's performance in utilizing assets to generate sales is not optimal. The values of both ratios are consistently below the industry standard, although there has been an increase from year to year. This shows that, although the company has made improvements in asset management and post-pandemic recovery efforts, faster asset growth compared to sales growth, as well as macroeconomic impacts and challenges in the aviation industry, have caused the efficiency of asset use to not reach the expected level. Overall, PT Garuda Indonesia still faces major challenges in optimizing asset use to support revenue growth. Large investments in fixed assets such as the addition of aircraft fleets and maintenance facilities have not been able to drive proportional sales increases, so that the efficiency of fixed asset use is below the industry standard. The improvements that have occurred from year to year are indeed worthy of appreciation, but the company needs to continue to strive to increase sales and the effectiveness of asset management in order to achieve a level of efficiency that is on par with the industry.

## CONCLUSION

Based on the analysis of PT Garuda Indonesia Tbk's financial performance from 2021 to 2023, several conclusions can be drawn. In terms of liquidity, the company's condition is illiquid due to the quick ratio and operating cash flow ratio being far below industry standards, making it difficult for the company to cover its short-term liabilities. This is exacerbated by high current debt and the pressure of the pandemic which has suppressed revenue and cash flow. Meanwhile, in terms of solvency, the debt to asset ratio which exceeds the standard indicates that the company is highly dependent on debt and has negative equity, so that the risk of insolvency remains high even though debt restructuring and capital injections from the government have been carried out. In terms of profitability, the company's performance is very volatile with large losses in 2021 due to debt burden and pandemic pressure, followed by significant improvements in 2022 after debt restructuring, but declining again in 2023 along with a decrease in net profit and inefficiency in asset management. In terms of activity, the company has not been able to optimize the use of assets to generate sales, so that asset efficiency remains below industry standards even though there has been an increase from year to year. Overall, PT Garuda Indonesia still has to struggle to improve operational efficiency, reduce dependence on debt, and strengthen internal governance in order to achieve sustainable financial stability and be able to compete in the very dynamic aviation industry.

## REFERENCES

Devilia, M., Mnuro, G., Tinggi, S., Kedirgantaraan, T., Puspa, A., Sekolah, T., & Kedirgantaraan, T. T. (2023). Analisis Faktor-Faktor Lion Air Sebagai Maskapai With Pangsa Pasar Terbesar Di Year 2021. *Jurnal Mahasiswa*, *5*(3).

Dian Octaviani, R., Nathaniel Rusdianto, B., Ajeng Nuralifah, D., Warsito Wangun, T., Simarmata, J., & Novembriani Irenita, M. (2023). The Effect of Service Failures and Service Quality on Customer Loyalty

and Repurchase Intentions: A Case Study of Lion Air Group During the COVID-19 Pandemic. *KnE Social Sciences*. https://doi.org/10.18502/kss.v8i9.13397

Fitriyani, Y. (2023). Ricuh Skandal Laporan Keuangan : Bagaimana Menilai Kinerja Keuangan PT. Garuda Indonesia,Tbk Menggunanakan Analisis Du Pont? *Jurnal Ecogen*, *6*(1). https://doi.org/10.24036/jmpe.v6i1.14336

Handayani, L. T., & Handayani, A. (2023). Analisis kinerja keuangan menggunakan rasio likuiditas dan rasio solvabilitas pada PT. Garuda Indonesia Tbk. *J-ISACC: Journal Islamic Accounting Competency*, *3*(2), 31–42. https://doi.org/10.35134/ekobistek.v11i4.443

Hastuti, H., Rajindra, R., & Guasmin, G. (2021). Financial Performance Analysis at PT. Garuda Indonesia, Tbk. *International Journal of Health, Economics, and Social Sciences (IJHESS)*, *3*(3). https://doi.org/10.56338/ijhess.v3i3.1579

Hussain, M. N. (2023). Evaluating the impact of air transportation, railway transportation, and trade openness on inbound and outbound tourism in BRI countries. *Journal of Air Transport Management*, *106*. https://doi.org/10.1016/j.jairtraman.2022.102307

Ichsan Siregar, M., Saggaf, H. A., Akbar Sulbahri, R., Aryo Arifin, M., Hidayat, M., & Arifin, F. (2020). Financial performance of PT. Garuda Indonesia Tbk period 2018-2019. *Jurnal Akuntansi, Keuangan, Dan Manajemen*, *1*(4). https://doi.org/10.35912/jakman.v1i4.94

Latief, Y., Berawi, M. A., Rarasati, A. D., Supriadi, L. S., Boy Berawi, A. R., & Hayuningtiyas, I. S. (2016). Mapping priorities for the development of the transportation infrastructure in the provincial capitals of Indonesia. *International Journal of Technology*, *7*(4). https://doi.org/10.14716/ijtech.v7i4.2677

Latif, A. (2023). Du Pont Analysis on the Financial Performance of PT Garuda Indonesia (Persero) Tbk. *JOURNAL ECONOMICS AND STRATEGY*, *4*(1). https://doi.org/10.36490/jes.v4i1.750

Mariano, F., Anggarani, D., & Hasan, K. (2024). Analisis rasio keuangan sebagai alat menilai kinerja keuangan perusahaan penerbangan PT Citilink Indonesia periode 2019–2022. *EKOMA: Jurnal Ekonomi, Manajemen, Akuntansi*, *4*(1), 2209–2218.

Olyvia, Y. H., & Matoati, R. (2020). Kinerja Keuangan pada PT Garuda Indonesia (Persero) Tbk Periode 2013-2017. *Jurnal Manajemen Dan Organisasi*, *10*(3). https://doi.org/10.29244/jmo.v10i3.30152

Prasetyo, B., & Wahyudi, T. A. (2020). THE ROLE OF DIGITAL INNOVATION, PERCEIVED VALUE, AND LOYALTY PROGRAM ON CUSTOMER LOYALTY AT GARUDA INDONESIA. *Malaysian E Commerce Journal*, *4*(2). https://doi.org/10.26480/mecj.02.2020.33.38

Pratama, A. R., & Giovanni, A. (2022). Penggunaan analisis rasio likuiditas dan rasio solvabilitas untuk mengukur kinerja keuangan pada PT. Garuda Indonesia Tbk. *Jurnal Riset Ekonomi Dan Bisnis*, *15*(1), 24–36. https://doi.org/10.26623/jreb.v15i1.4145

PT Garuda Indonesia. (2021). *Profil Garuda Indonesia*. Garuda Indonesia.

Salma, A. N. (2021). Preparing for the Worst Crisis Scenario on the Flag Carrier Garuda Indonesia in Digital Era. *Jurnal Komunikasi Ikatan Sarjana Komunikasi Indonesia*, *6*(1). https://doi.org/10.25008/jkiski.v6i1.494

Schäfer, A. W., & Waitz, I. A. (2014). Air transportation and the environment. *Transport Policy*, *34*. https://doi.org/10.1016/j.tranpol.2014.02.012

Sun, X., Wandelt, S., & Zhang, A. (2021). Vaccination passports: Challenges for a future of air transportation. *Transport Policy*, *110*. https://doi.org/10.1016/j.tranpol.2021.06.018

Thums, J., Künzel, L., Klumpp, M., Bardmann, M. M., & Ruiner, C. (2023). Future air transportation and digital work at airports – Review and developments. In *Transportation Research Interdisciplinary Perspectives* (Vol. 19). https://doi.org/10.1016/j.trip.2023.100808

Yoo, S., van Wee, B., & Molin, E. (2024). Long distance accessibility by air transportation: a literature review. *Transport Reviews*, *44*(4). https://doi.org/10.1080/01441647.2024.2322430

Yulianto, A., Sudaryo, Y., Sipahutar, D. H. N., Ismail, G. D., & Febriyanti, D. (2024). Analisis perbandingan rasio likuiditas, solvabilitas dan profitabilitas PT Garuda Indonesia (Persero) Tbk sebelum dan saat pandemi Covid-19. *Journal Syntax Idea*, *6*(7), 3312–3321.