

**ANALYSIS OF FINANCIAL PERFORMANCE OF STATE-OWNED  
ENTERPRISE COMPANIES ON TRANSPORTATION FACILITIES  
BASED ON MINISTERIAL DECREE NUMBER  
KEP-100/MBU/2002  
(Study at PT Garuda Indonesia)**

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**ABSTRACT**

This study aims to find out the level of financial health in PT Garuda Indonesia starting year 2014 to 2018. The financial ratio used as an indicator of financial health of PT Garuda Indonesia based on Ministerial Decree of BUMN Number KEP-100/MBU/2002 concerning the assessment of financial health level of State-Owned Enterprises. PT Garuda Indonesia is one of the largest State-Owned Enterprises in Indonesia having a variety of unstable financial condition starting year 2014-2018. The existence of large losses occurred in recent years. This research is descriptive with data collection methods in the form of documentation, and the analysis technique used is financial ratio analysis. The data source used in this study a secondary data in the form of audited financial statement and published to public.

Based on the result of the study, the level of profitability of the company can be categorized as unhealthy because the scores for ROE and ROI are in the low value range. The company's cash ratio shows good condition. at the other part the current ratio is less healthy. Overall, the financial health level of PT Garuda Indonesia for the study period 2014-2018 categorized as unhealthy.

**Keywords:** level of financial health, financial ratio, Ministerial Decree of BUMN Number KEP-100/MBU/2002

**ABSTRAK**

Penelitian ini bertujuan untuk mengetahui tingkat kesehatan keuangan pada PT Garuda Indonesia mulai tahun 2014 hingga 2018. Rasio keuangan yang digunakan sebagai indikator kesehatan keuangan PT Garuda Indonesia berdasarkan Keputusan Menteri BUMN No. KEP-100 / MBU / 2002 tentang penilaian tingkat kesehatan keuangan Badan Usaha Milik Negara. PT Garuda Indonesia adalah salah satu Badan Usaha Milik Negara terbesar di Indonesia yang memiliki berbagai kondisi keuangan yang tidak stabil mulai tahun 2014-2018. Adanya kerugian besar terjadi dalam beberapa tahun terakhir. Penelitian ini bersifat deskriptif dengan metode pengumpulan data dalam bentuk dokumentasi, dan teknik analisis yang digunakan adalah analisis rasio keuangan. Sumber data yang digunakan dalam

penelitian ini adalah data sekunder berupa laporan keuangan yang diaudit dan dipublikasikan untuk umum.

Berdasarkan hasil penelitian, tingkat profitabilitas perusahaan dapat dikategorikan tidak sehat karena skor untuk ROE dan ROI berada dalam kisaran nilai rendah. Rasio kas perusahaan menunjukkan kondisi yang baik, di sisi lain rasio lancar dikategorikan kurang sehat. Secara keseluruhan, tingkat kesehatan keuangan PT Garuda Indonesia untuk masa studi 2014-2018 dikategorikan kurang sehat.

Kata kunci: tingkat kesehatan keuangan, rasio keuangan, Keputusan Menteri BUMN Nomor KEP-100 / MBU / 2002

## **1. INTRODUCTION**

### **1.1 Background of the Study**

The Unitary State of the Republic of Indonesia is a maritime country where one-third of its territory is dominated by the ocean. This has resulted in a high need for air transportation, both freight and passenger transportation. Indonesian people's mobilization needs are continuously increasing, along with Indonesia's economic growth. The high demand for air transportation in Indonesia is inseparable from the benefits from the community, namely the efficiency of time and energy spent on mobility from one place to another. So, naturally the aviation has experienced a growing demand from year to year, it can be seen from Indonesia's flight routes, which are also increasing.

There are 24 state-owned companies that are still experiencing losses until the end of the first semester of 2017, where the total loss is estimated at USD 411.37 million. Garuda Indonesia Restate the loss of Annual report from 5 Million dollars to 175 million dollars. The government needs to develop a comprehensive performance evaluation to maintain and improve the performance of state-owned companies.

### **1.2 Problem Formulation**

What is the financial health levels of PT Garuda Indonesia (Persero) Tbk if measured based on financial ratios stated in the Decree of the Ministry of State-Owned Enterprise No. 100 / MBU / 2002 concerning the Assessment of the Health Level of State-Owned Enterprises (BUMN) with the analysis of the financial statements for 2014-2018?

### **1.3 Purpose of Research**

The purpose of this study is to measure and analyze the financial performance of PT Garuda Indonesia (Persero) Tbk through financial ratios based on Ministerial Decree No. 100/MBU/2002 in 2014-2018.

### **1.4 Benefit of Research**

a. For the researcher

This research can provide an in-depth understanding of how to analyze SOE financial performance through financial ratios contained in Ministerial Decree No. 100/MBU/2002.

b. For the company

This research can be one of the information references to assess the level of health of the company and help companies in developing

strategic steps to face business competition going forward.

c. For other parties

This research can be used as information for other interested parties and can be used as a basis for other studies in the future.

## **2. REVIEW OF RELATED LITERATURE**

Dewi (2016) explained that the financial health level of PG Djatiroto Lumajang from 2012-2014, stated that the financial health condition of the company was in the unhealthy category. Samuel (2017) also researched one of the SOEs, namely PT Pelayaran Indonesia, with the results of research that showed that the company's financial performance was still not optimal.

Different research results are shown in the analysis of the level of financial health conducted by Mayasari (2017) where the level of health of state-owned construction companies listed on the Stock Exchange for the period 2012-2016 received a healthy predicate from the Ministry of State-Owned Enterprise. The categories of previous studies related to financial performance analysis are based on Ministerial Decree Number KEP-100/MBU/2002. The major research method is quantitative descriptive analysis method and giving results of financial performance for each company that the previous researcher has been researched.

## **3. RESEARCH METHOD**

### **3.1 Types of Research**

The type of this research is descriptive research. Descriptive

research is a method of research conducted to find out and explain the characteristics of the variables understudy in a situation.

### **3.2 Scope of Research**

The object of this research is PT Garuda Indonesia (Persero) Tbk, which focuses on the analysis of the data in the financial statements that include the balance sheet and the company's income statement published.

### **3.3 Data and Data Sources**

The type of data used in this study is quantitative data. According to Sugiyono (2015), quantitative data is a type of data that can be measured or calculated directly, in the form of information or explanation expressed by numbers or in the form of numbers. Numbers data are obtained from secondary data, namely in the form of financial statements provided or published by the company.

### **3.4 Data Collection Method**

In this research, the data collection method is the documentation method. Researchers collected data in the form of financial statements and annual reports of 2014-2018 periods.

### **3.5 Operational Definitions**

Data analysis used is by using the ratio as follows:

#### **1. Ratio of profitability**

##### **a. Return on Equity (ROE)**

$$\text{ROE} = \frac{\text{Profit after Tax}}{\text{Owner's equity}} \times 100 \%$$

##### **b. Return on Investment (ROI)**

$$\text{ROI} = \frac{\text{EBIT} + \text{Depreciation}}{\text{Capital Employed}} \times 100 \%$$

## 2. Liquidity Ratio

### a. Cash Ratio

$$\text{CR} = \frac{\text{Cash} + \text{Bank} + \text{Short Term Securities}}{\text{Current Liabilities}} \times 100 \%$$

### b. Current Ratio

$$\text{CR} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100 \%$$

## 3. Activity ratio

### a. Collection Periods

$$\text{CP} = \frac{\text{Total Accounts Receivable}}{\text{Total Operating Revenues}} \times 100 \%$$

### b. Inventory Turnover

$$\text{IT} = \frac{\text{Total Inventory}}{\text{Total Operating Revenues}} \times 100 \%$$

### c. Total Asset Turnover (TATO)

$$\text{TATO} = \frac{\text{Total Revenues}}{\text{Capital Employed}} \times 100 \%$$

## 4. Solvability ratio

### a. Total Own Capital to Total Assets

$$\text{TOC to TA} = \frac{\text{Total Own Capital}}{\text{Total Assets}} \times 100 \%$$

There is the following table of list of indicators along with their weight, which shows the level of health of SOE from its financial aspects in accordance with the Ministry of State-Owned Enterprises Decree No. 100 / MBU / 2002:

#### List of Indicators and Weight of Financial Aspects

No	Indicators	Weight	
		Infra	Non-Infra

1	ROE	15	20
2	ROI	10	15
3	Cash Ratio	3	5
4	Current Ratio	4	5
5	Collection Periods	4	5
6	Inventory Turnover	4	5
7	Total Asset Turnover	4	5
8	Own capital ratio to total assets	6	10
Total Weight		50	70

#### SOE Financial Health Category

Level	Category	Criteria
AAA	Healthy	Total Score (TS) > 95
AA	Healthy	80 < TS < 95
A	Healthy	65 < TS < 80
BBB	Unhealthy	50 < TS ≤ 65
BB	Unhealthy	40 < TS ≤ 50
B	Unhealthy	30 < TS ≤ 40
CCC	Not healthy	20 < TS ≤ 30
CC	Not healthy	10 < TS ≤ 20
C	Not healthy	TS ≤ 10

## 4. RESEARCH RESULT AND DISCUSSION

### 4.1 General Description of the Object of Research

In this study, the object taken was PT Garuda Indonesia (Persero)

Tbk, which is a state-owned company engaged in air transportation.

#### **4.1.1 Company Identity**

PT Garuda Indonesia (Persero) Tbk is one of the State-Owned Enterprises that was established on March 31, 1950, and is engaged in commercial air transportation services.

#### **4.1.2 A Brief History of the Company**

PT Garuda Indonesia (Persero) Tbk was established based on deed No. 137 on 31 March 1950 from the notary Raden Kadiman. As the business development, the company's fleet continues to grow, where for the first time the Garuda Indonesia airline began carrying Hajj pilgrims to Mecca in 1956 and then entered the European region in 1965 with the final destination in Amsterdam.

#### **4.1.3 Vision, Mission, Strategy and Company Value**

##### **Vision:**

"Become a sustainable airline through customer-oriented service and profit growth."

##### **Mission:**

1. Maximize shareholder returns through strong revenue growth.
2. Become a cost leader in full-service operations.
3. Creating group synergy while providing the highest value to customers through excellent Indonesian hospitality.

#### **4.1.4 Products**

Referring to Article 3 of the Company's Articles of Association as contained in the Deed of April 28, 2014 No. 4.

#### **4.1.5 Organization Structure**

Organizational structure is an arrangement and relationship between each section and the position that exists in an organization or company in carrying out operational activities to achieve the expected and desired goals.

#### **4.2 Research Result**

This chapter will explain the research result conducted on the object of research, namely PT Garuda Indonesia related to the level of financial health based on indicators contained in Kepmen 100 / MBU / 2002 (liquidity, profitability, activities, and solvency).

##### **4.2.1 Operating Revenues of PT Garuda Indonesia in the 2014-2018 Period**

PT Garuda Indonesia's operating revenues from 2014 to 2018 appear to have experienced a very large wave and appear insignificant from year to year.

##### **4.2.2 Profitability Ratio**

###### **4.2.2.1 Return on Equity (ROE)**

**ROE Value of PT Garuda Indonesia for the 2014-2018 Period (Expressed in US Dollars, Except Otherwise Stated)**

Year	Comprehensive Income	Total Equity	ROE
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2014	- 333,972,698	916,712,520	- 36.43%
2015	71,225,594	950,723,185	7.49%
2016	59,174,034	1,009,897,219	5.86%
2017	- 155,368,730	937,469,200	- 16.57%
2018	- 26,209,983	910,188,372	- 2.88%

Based on the table above, PT Garuda Indonesia ROE fluctuations from 2014 to 2018 occurred in the low-value range with the lowest point being -36.43%.

#### 4.2.2.2 Return on Investment (ROI)

##### ROI Value of PT Garuda Indonesia for the 2014-2018 Period (Expressed in US Dollars, Except Otherwise Stated)

Year	EBIT + Depreciation	Capital Employed	ROI
2014	219,882,848	3,043,950,582	- 7.22%
2015	345,346,288	3,303,511,562	10.45%
2016	267,764,329	3,721,079,699	7.20%
2017	67,130,930	3,738,526,049	1.80%
2018	278,766,059	4,360,212,890	6.39%

Based on the above calculation table ROI in 2014 amounted to -7.22% in 2015, ROI experienced a significant increase of 10.45% and was the highest value for five years of the research period.

#### 4.2.3 Liquidity Ratio

##### 4.2.3.1 Cash Ratio

##### PT Garuda Indonesia's Cash Ratio Value for the 2014-2018 Period (Expressed in US Dollars, Except Otherwise Stated)

Year	Cash and Cash Equivalent	Short Term Liability	Cash Ratio
2014	434,327,498	1,219,365,356	35.62%
2015	519,972,655	1,195,849,121	43.48%
2016	578,702,739	1,563,576,121	37.01%
2017	306,918,945	1,921,846,147	15.97%
2018	251,188,737	2,451,116,662	10.25%

The table shows that the minimum point of PT Garuda Indonesia's cash ratio was in 2018 with a value of 10.25% and the maximum point was in 2015 with a value of 43.48%.

##### 4.2.3.2 Current Ratio

##### PT Garuda Indonesia's Current Ratio in the 2014-2018 Period (Expressed in US Dollars, Except Otherwise Stated)

Year	Current Asset	Current Liabilities	Current Ratio
2014	810,514,943	1,219,365,356	66.47%
2015	1,007,848,005	1,195,849,121	84.28%
2016	1,165,133,302	1,563,576,121	74.52%
2017	986,741,672	1,921,846,147	51.34%
2018	1,356,974,740	2,451,116,662	55.36%

The table above shows that the current ratio value of PT Garuda Indonesia fluctuates in the range of 50% to 90%. The maximum value was obtained in 2015 with a value of 84.28% and the lowest value in 2017 of 51.34%.

#### 4.2.4 Activity Ratio

##### 4.2.4.1 Collection Period

**Value of PT Garuda Indonesia Collection Period 2014-2018**  
(Expressed in US Dollars, Except Otherwise Stated)

Year	Accounts Receivable	Operating Revenues	Collection Period
2014	120,623,827	3,933,530,272	11
2015	121,527,641	3,814,989,745	12
2016	191,295,565	3,863,921,565	18
2017	229,250,088	4,177,325,781	20
2018	414,100,677	4,373,177,070	35

The table above shows that PT Garuda Indonesia's collection period from 2014 to 2017 fluctuated in a low range with the lowest value being in 2014 with a value of 11 days, but in 2018 it increased quite sharply at 35 days.

##### 4.2.4.2 Inventory Turnover

**PT Garuda Indonesia Inventory Turnover Value 2014-2018 Period**

(Expressed in US Dollars, Except Otherwise Stated)

Year	Inventory	Operating Revenues	Inventory Turnover
2014	85,204,399	3,933,530,272	8
2015	91,631,231	3,814,989,745	9
2016	108,954,457	3,863,921,565	10
2017	131,155,717	4,177,325,781	11
2018	176,457,029	4,373,177,070	15

The table above shows that the inventory turnover of PT Garuda Indonesia tends to increase. This minimum inventory turnover point occurred in 2014 with a value of 8 and the maximum point found in 2018 with a value of 15.

##### 4.2.4.3 Total Asset Turn Over (TATO)

**PT Garuda Indonesia TATO Value for 2014-2018 Period**  
(Expressed in US Dollars, Except Otherwise Stated)

Year	Operating Revenues	Capital Employed	TATO
2014	3,933,530,272	3,043,950,582	129%
2015	3,814,989,745	3,303,511,562	115%
2016	3,863,921,565	3,721,079,699	104%
2017	4,177,325,781	3,738,526,049	112%
2018	4,373,177,070	4,360,212,890	100%

The table above shows that the total assets turnover of PT Garuda Indonesia tends to decrease. This

minimum total assets turnover point occurred in 2018 with a value of 100% and the maximum point found in 2014 with a value of 129%.

#### 4.2.5 Solvability Ratio

##### 4.2.5.1 Total Own Capital to Total Assets

**Value of Total Own Capital to Total Assets Garuda Indonesia, 2014-2018**  
(Expressed in US Dollars, Except Otherwise Stated)

Year	Total Own Capital	Total Assets	TO C to TA
2014	916,712,520	3,100,815,978	29.56%
2015	950,723,185	3,310,010,986	28.72%
2016	1,009,897,219	3,737,569,390	27.02%
2017	937,469,200	3,736,292,093	24.91%
2018	910,188,372	4,371,659,686	20.82%

In the table above it can be seen that there has been a year-on-year decline in the ratio of total own capital to total assets of PT Garuda Indonesia with a maximum point in 2014 and a minimum point in 2018.

##### List of Calculations for the Financial Soundness Rating Score

No	Indicator	Ratio Value of Periods				
		2014	2015	2016	2017	2018
1	Return of Equity (ROE)	0	10	8.5	0	0
2	Return of	1	7.5	6	3	5

	Investment (ROI)					
3	Cash Ratio	5	5	5	3	2
4	Current Ratio	0	0	0	0	0
5	Collection Periods	5	5	5	5	5
6	Inventory Turnover	5	5	5	5	5
7	TAT O	5	4.5	4	4.5	4
8	Total Own Capital to Total Assets Ratio	7.25	7.25	7.25	7.25	7.25
<b>Total</b>		28.25	44.25	40.75	27.75	28.25

##### PT Garuda Indonesia Health Level Assessment Table (2014-2018)

Year	Total Score (x)	Weight (x/70*100%)
2014	28.25	40%
2015	44.25	63%
2016	40.75	58%
2017	27.75	40%
2018	28.25	40%

The results of this assessment certainly indicate that the management of PT Garuda Indonesia must improve performance in its financial aspects by implementing the relevant policies in these aspects to obtain maximum value.

### **4.3 Research Discussion**

#### **4.3.1 Level of Profitability**

During the research period, PT Garuda Indonesia received a fairly low ROE assessment, especially in 2014 and 2018. In the ROI assessment in the period of the study showed that the rate of return on investment is still relatively unstable. PT Garuda Indonesia can be said to have a low ability to generate profits from the normal business activities of the company. The low operating revenue generated by the company is the cause of the low Garuda Indonesia ROE and ROI assessment.

#### **4.3.2 Level of Liquidity**

It can be concluded from the value of the company's cash ratio that PT Garuda Indonesia has enough cash to meet its short-term needs. Based on the above analysis, it can be concluded that PT Garuda Indonesia has a fairly liquid cash ratio, where the company can be said to be able to meet its short-term obligations with the amount of cash it has. However, the excess cash has a risk with an indication that PT Garuda Indonesia has not been able to optimize the use of cash to maximize company profits.

#### **4.3.3 Level of Activity**

Based on the assessment scores obtained by the company, it is said that the level of activity is in good condition. Scores obtained by the company from the five-year study period are high in each activity ratio. It certainly indicates that the company has been efficient in managing all of its resources to earn revenue.

#### **4.3.4 Level of Solvability**

Based on the results of the calculation of the ratio of TMS to TA, it can be said that the company is in good condition related to the financing of company assets from own capital owned by investors. The company's capital position is quite good because it is not too low or too high.

#### **4.3.5 Linkages of Profitability, Liquidity, Activity and Solvability Levels**

The relationship between liquidity and profitability ratios can be seen in the value of each valuation indicator. In 2014 to 2015, there was an increase in the value of liquidity ratios (cash ratios and current ratios), but there was a decrease from 2016 to 2018. It was followed by a decrease in the company's profitability ratio (ROE and ROI).

The company showed a very good performance of the collection of receivables in the period of the study, which can be seen from the value of the collection period (CP) ratio.

The TATO ratio value of the company shows good condition. Based on the TATO ratio, the company's operating income/sales generated are relatively high from the use of all assets from 2014 to 2018, but the operating/operating expenses borne by the company also increased. Based on the results of the research, it can be concluded that the solvency ratio (ratio of total own capital to total assets) is in good condition. The value of the ratio of TOC to TA over the period of the study decreased, but the decline was still in the healthy category.

#### **4.4 Implications of Research Results**

SOEs are currently under pressure, which causes their performance to be less effective, such as heavy pressure through Indonesian politics. Specifically, in the case of PT Garuda Indonesia, the government now needs to implement policies and supervision on how companies can be controlled, defended, competed, and effective given the company's increasingly competitive global conditions.

### **5. CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Conclusion**

From the results of this research, it can be concluded that the condition or level of the financial health of PT Garuda Indonesia can be said to be in an unhealthy condition. The condition was obtained from the calculation of the final weighted score, where the average score obtained during the five years of the study period did not reach a healthy category based on Minister of SOE Decree No. KEP-100 / MBU / 2002.

PT Garuda Indonesia has an average ROE score that is relatively low; this indicates that the company has not been able to maximize profits compared to the amount of equity owned. Swelling of the company's operational expenses is the biggest contributor to the decline in ROE and ROI values. Conversely, the company's current ratio is in a fairly unfavourable position. Funding from financial institutions has not been well optimized by the company, where the loan is used as an expansion of the company's business.

#### **5.2 Recommendation**

##### **1. For PT Garuda Indonesia**

Based on the results of this research, the financial condition of PT Garuda Indonesia is still not good enough. In developing its finances, it is hoped that PT Garuda Indonesia company will improve indicators that will weaken its finances in the following years. In some assessments, PT Garuda Indonesia is still considered weak in managing its assets. This company needs to consider policies that focus on the optimal management and use of assets so that profits can be increased.

In this research process, PT Garuda Indonesia issued a restatement of financial statements in 2019 that had a major impact on the public and SOEs where PT Garuda Indonesia had issued its financial statements which were used in this research ending on December 31, 2018, as audited by an independent BDO auditor. So the company is subject to sanctions by the FSA and the Minister of Finance. These conditions actually create losses in the internal sector and marketing.

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