

# Financial Performance Analysis at PT. Garuda Indonesia, Tbk

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## ABSTRACT

Looking at the formulation of the research problem, the objectives of this study are: (1) To find out and analyze the financial performance of PT. Garuda Indonesia, Tbk when viewed from the liquidity ratio, (2) To determine and analyze the financial performance of PT. Garuda Indonesia, Tbk when viewed from the solvency ratio, and (3) To find out and analyze the financial performance of PT. Garuda Indonesia, Tbk when viewed from the ratio of profitability. This type of research is descriptive research, namely research that describes the financial performance of PT. Garuda Indonesia, Tbk using financial ratio analysis consisting of liquidity ratios, solvency ratios, and profitability ratios as the basis for assessing financial performance or the level of the financial soundness of PT. Garuda Indonesia, Tbk. The data used in this study is secondary data sourced from PT. Garuda Indonesia, Tbk, namely the financial statements of PT. Garuda Indonesia, Tbk (balance sheet, income statement, and cash flow) for the last 5 (five) years. The results showed that: The financial performance of PT. Garuda Indonesia, Tbk. when viewed from the liquidity ratio during the 2014-2018 period, it is in the unhealthy assessment criteria (BBB). Financial performance of PT. Garuda Indonesia, Tbk. when viewed from the solvency ratio during the period 2014-2018 it is in a healthy assessment criterion (A). Financial performance of PT. Garuda Indonesia, Tbk. when viewed from the profitability ratios during the period 2014-2018 it is in an unhealthy assessment criterion (C).

**Keywords** – Analysis, Performance, Finance

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## INTRODUCTION

At this time, the national transportation sector specifically for air services is faced with a very tight competition situation (1). This condition has resulted in an increasing number of airlines operating by offering various products and services to attract as many consumers as possible. This is indicated by the presence of around 55 national airlines operating on various flight routes both domestically and abroad (2). Along with the development of the national and international aviation service industry, not many airline companies can survive in the current very tight competition conditions in Indonesia, if they are not supported by strong finances and professional company management.

The national aviation industry has the potential to continue to grow. Because Indonesia is the largest archipelagic country in the world which has more than 100,000 islands scattered along the equator (3). Therefore, air transportation is one of the main transportations in this country. Since 2000, regulations regarding aviation in Indonesia have begun to be relaxed by the government, causing many new airlines to enter Indonesia. (4).

In addition, the Indonesian government's incessant promotion of tourism in Indonesia has made several airlines in Indonesia have the opportunity to continue to grow with the number of foreign travelers traveling to all corners of the country using air transportation services. PT. Garuda Indonesia, which is currently on the rise and continues to grow from a near-bankrupt position to become one of the best airline service companies in Asia. For that PT. Garuda Indonesia decided to go public and issued its initial shares on February 11, 2011. With the selling price of shares per share set by the Ministry of State-Owned Enterprises of the Republic of Indonesia, Rp.750. The initial share price of PT. Garuda Indonesia (Persero) Tbk took the lowest price offered, namely Rp.750-Rp.1100.

To remain able to survive or excel in the competition to seize market share in the air service transportation sector, PT. Garuda Indonesia (Persero), Tbk as the only state-owned company in the national and international commercial aviation transportation service sector at this time, is required to have the ability to show good company performance, as a basis for consideration for investors to invest in public companies owned by the Indonesian government. that.

Assessment of financial performance aspects can generally be done using several financial analysis tools, one of which is financial statements using a financial ratio approach. Stakeholders can perform a financial ratio analysis to see how the condition of the financial performance of PT. Garuda Indonesia, Tbk by the analytical tools regulated in the Decree of the Minister of State-Owned Enterprises of the Republic of Indonesia Number KEP-100/MBU/2002 (5). Data as a basis for assessing the company's financial performance can be found in financial statements that contain information about the financial condition of a company.

Financial ratio analysis can help business people, the government, and other users of financial statements to assess the financial condition of the Indonesian government-owned airline, namely PT. Garuda Indonesia (Persero) Tbk in predicting the company's profit (profit) growth (6).

Therefore, an analysis of the company's financial performance is needed by various parties, both internal and external as information evaluation material. For management, analyzing financial performance serves as a tool for planning and controlling analysis on financial aspects (7). For investors, analysis of financial performance can serve as information material about the company's financial health condition as a reference for making decisions in terms of making investments. Apart from that for management and investors, financial performance analysis is also needed by creditors, bondholders, and other interested parties (8).

Investors really need an information in investing in the capital market to be able to reduce investment uncertainty, estimate cash flows in the future, and determine what securities should be bought and sold so that the feeling of security on investment and the level of return will be obtained from the investment (9). This feeling of security is obtained because investors obtain clear, fair, and timely information as a basis for making investment decisions. One source of information that can be used by investors is financial statements (10).

By utilizing the company's financial statements, it is hoped that investors can easily predict the amount, timing, and uncertainty/risk of a company's net cash flow. An investor in assessing the performance of company management can look at the company's financial statements published annually. This is because the financial statements are the basic information needed by internal and external parties of the company to be able to know the developments and profits of the company during a certain period. A financial report is prepared at the end of each period as a form of accountability report for the management of a company. This financial report is the result of an accounting process that can be used as a tool or material for communication between organizational data. With the financial statements, company managers will try to work as much as possible so that their performance is assessed better (11).

Financial statement analysis is something that is needed to understand financial statement information (12). Financial statement analysis is an alternative to test whether financial information is useful in classifying or predicting profit growth or company stock prices (13). Financial statement analysis is based on historical financial data whose main purpose is to indicate the company's performance in the future. The most important aspect of the company's future performance depends on the needs of financial statements.

In general, there are many analytical techniques in assessing an investment, but the most widely used are fundamental analysis, technical analysis, economic analysis, and financial ratio analysis. One alternative to find out the financial information produced is useful for predicting stock prices, using financial ratio analysis. The company's financial ratios can be grouped into 5 (five) types of ratios, namely liquidity ratios, activity ratios, profitability ratios, solvency ratios, and market ratios (14).

In theory, if the level of certain financial ratios has increased, it can be concluded that the company's performance is good so that if the company's performance is considered good, investors should dare to invest their funds in the company, and if many investors tend to want to buy the company's shares then the stock price of the company will experience an increasing trend, which is by the law of economics, if the demand for the market increases, the price will also increase outside of other external factors (11).

Considering the urgency or importance of the role of financial statements to predict company performance, the authors are interested in researching a scientific paper (thesis) with the title of research: "Financial Performance Analysis at PT. Garuda Indonesia, Tbk".

## METHODOLOGY

This type of research is descriptive research. This research was conducted at PT. Garuda Indonesia, Tbk with a planned research time of  $\pm 3$  (three) months, namely January to March 2020. The data used in this study is secondary data sourced from PT. Garuda Indonesia, Tbk which has data include Financial statements of PT. Garuda Indonesia, Tbk (balance sheet, income statement, and cash flow) for the last 5 (five) years. The state of the management of PT. Garuda Indonesia, Tbk in the same period (last five years). A brief history of PT. Garuda Indonesia, Tbk. The organizational structure of PT. Garuda Indonesia, Tbk. Data collection is done through observation and documentation.

The analytical method used in this research is the quantitative analysis method, through the application of financial ratio analysis consisting of Liquidity ratio, Solvency ratio, and Profitability ratio. Financial ratio analysis consisting of Liquidity ratio, Solvency ratio, and Profitability ratio is used as a measuring tool to determine and analyze the good or bad level of financial health or financial performance (15), at PT. Garuda Indonesia, Tbk for the period 2014-2018 as seen from the analysis of its financial statements for the period of the research year from 2014 to 2018. The procedures for calculating Liquidity ratios, Solvency ratios, and Profitability ratios as measuring tools to determine and analyze the financial performance of PT. Garuda Indonesia, Tbk. the period 2014-2018, is described as follows: Liquidity Ratio Analysis. The liquidity ratio is a ratio that describes the company's ability to meet short-term obligations. Solvency Ratio Analysis. The solvency ratio is a ratio used to measure the extent to which the company's assets are financed by debt. Profitability Ratio Analysis. The profitability ratio is a ratio to assess the company's ability to seek profit (16).

## RESULTS AND DISCUSSION

Analysis of financial performance at PT. Garuda Indonesia, Tbk. in the context of this study using financial ratios, where the financial ratios to be used consist of liquidity ratios, solvency ratios, and profitability ratios. Furthermore, the liquidity ratio used in this study consists of the current ratio and the quick ratio. The solvency ratio used consists of the ratio of debt to assets (total debt to asset ratio) and the ratio of debt to capital (total debt to equity ratio). The profitability ratios used to consist of the ratio of gross profit margin (gross profit margin), the ratio of net profit margin (net profile margin), the ratio of return on investment (ROI), and the ratio of return on equity (ROE).

Calculation of financial ratios comes from financial statements in the form of profit and loss statements and balance sheets of PT. Garuda Indonesia, Tbk. during the period 2014-2015 with a description of the analysis as follows:

### **Financial Performance of PT. Garuda Indonesia, Tbk in terms of Liquidity Ratio**

The liquidity ratio in the context of this study is a ratio that describes the ability of PT. Garuda Indonesia, Tbk has fulfilled its short-term obligations which will be due soon.

### Current Ratio (Current Ratio)

Calculation of the current ratio (current ratio) at PT. Garuda Indonesia, Tbk. the period 2014-2018 with the calculation results as shown in Table 1. below:

**Table 1. Results of Calculation of Current Ratio (Current Ratio) PT. Garuda Indonesia, Tbk. 2014-2018 Period**

Year	Current asset	Current liabilities	Rasio (%)
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	986,741,627	1,921,846,147	51.34%
2018	1,356,974,740	7,451,116,662	18.21%
<b>Total</b>	<b>5,327,212,617</b>	<b>13,351,753,407</b>	<b>294.82%</b>
<b>Average</b>	<b>1,065,442,523</b>	<b>2,670,350,681</b>	<b>58.96%</b>

Source: Results of secondary data reprocessed, 2020

Based on Table 1. above, it can be seen that the average value of the Current Ratio (Current Ratio) at PT. Garuda Indonesia, Tbk. during the 2014-2018 period, 58.96% were in the less healthy assessment criteria. This refers to the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002 which states that the average current ratio of 58.96% is within the range of  $50 < TS < 65$ , with the BBB assessment criteria (Unwell).

This shows that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk., is considered less able to meet the company's short-term obligations because the company's current assets are lower than the company's current liabilities. This means that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk. a shortage of current assets which are considered the most liquid to meet all of the company's short-term obligations that will soon mature.

### Quick Ratio (Quick Ratio)

Calculation of the quick ratio (quick ratio) at PT. Garuda Indonesia, Tbk. the 2014-2018 period, the calculation results are shown in Table 2 below:

**Table 2. Quick Ratio Calculation Results (Quick Ratio) at PT. Garuda Indonesia, Tbk. 2014-2018 Period**

Year	Current Assets - Inventory	Debt Smooth	Rasio (%)
2014	725,310,544	1,219,365,356	59.48%
2015	916,216,774	1,195,849,121	76.62%
2016	1,056,178,845	1,563,576,121	67.55%

2017	855,585,910	1,921,846,147	44.52%
2018	1,180,517,711	7,451,116,662	15.84%
<b>Total</b>	<b>4,733,809,784</b>	<b>13,351,753,407</b>	<b>264.01%</b>
<b>Average</b>	<b>946,761,958</b>	<b>2,670,350,681</b>	<b>52.80%</b>

Source: Results of secondary data reprocessed, 2020

Based on Table 2 above, it can be seen that the average value of the Quick Ratio at PT. Garuda Indonesia, Tbk. during the 2014-2018 period, 52.80% were in the less healthy assessment criteria. This refers to the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002 which states that the average quick ratio of 52.80% is within the range of  $50 < TS < 65$ , with the BBB assessment criteria (Unwell).

This shows that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk., is considered less able to meet the company's short-term obligations because the total current assets minus the company's inventory is lower than the total current liabilities of the company. This means that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk. is considered to have a shortage of current assets and inventories which are considered to be the most liquid to meet all short-term obligations of the company that will soon mature.

Based on Tables 1 and 2 above, it can be seen that the Liquidity Ratio of PT. Garuda Indonesia, Tbk. during the period 2014-2018 was assessed with the assessment criteria of less than maximum (unhealthy). This result can be seen from the average current ratio of PT. Garuda Indonesia, Tbk. in 5 (five) years of research only 58.96%. While the standard current ratio is 200% (Kasmir, 2011:136). This indicates that the current ratio of PT. Garuda Indonesia, Tbk. in an unhealthy condition because the company's ability to pay off its current debt is still not optimal. Similarly, the average quick ratio (Quick ratio) of PT. Garuda Indonesia, Tbk. in 5 (five) years of research is 52.80%. While the standard quick ratio is 150%, this shows that the quick ratio (Quick ratio) of PT. Garuda Indonesia, Tbk. during the period 2014 to 2018 was in a less good or unhealthy condition.

### **Financial Performance of PT. Garuda Indonesia, Tbk seen from the Solvency Ratio**

The solvency ratio in the context of this research is the ratio used to measure the extent to which the assets of PT. Garuda Indonesia, Tbk. financed with debt.

### **Debt to Asset Ratio (Total Debt to Asset Ratio)**

Calculation of debt to asset ratio (total debt to asset ratio) PT. Garuda Indonesia, Tbk. the period 2014-2018 with the calculation results shown in Table 3 below:

**Table 3. Results of the calculation of the ratio of debt to assets (Total Debt to Asset Ratio) of PT. Garuda Indonesia, Tbk. 2014-2018 Period**

<b>Year</b>	<b>Total Amoun of debt</b>	<b>Total assets</b>	<b>Rasio (%)</b>
2014	2,184,103,458	3,100,815,978	70.44%

2015	2,359,287,801	3,310,010,986	71.28%
2016	2,727,672,171	3,737,569,390	72.98%
2017	2,825,822,893	3,763,292,093	75.09%
2018	3,461,471,314	4,371,659,686	79.18%
<b>Total</b>	<b>13,558,357,637</b>	<b>18,283,348,133</b>	<b>368.96%</b>
<b>Average</b>	<b>2,711,671,527</b>	<b>3,656,669,627</b>	<b>73.79%</b>

Source: Results of secondary data reprocessed, 2020

Based on Table 3. above, it can be seen that the average value of the Debt to Asset Ratio (Total Debt to Asset Ratio) PT. Garuda Indonesia, Tbk. during the 2014-2018 period, 73.79% were in the health assessment criteria. This refers to the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002 which states that the average value of the debt to asset ratio (total debt to asset ratio) of 73.79% is within the range of  $65 < TS 80$ , with the assessment criteria A (Healthy).

This shows that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk., was able to reduce the financing of the company's assets from debt because the company's total assets were greater than the company's total debt. This means, that during the period 2014 to 2018 the level of dependence on the financing of PT. Garuda Indonesia, Tbk. sourced from the company's debt is getting smaller. That is, during the period 2014 to 2018 PT. Garuda Indonesia, Tbk. more independent in financing the company's assets without having to rely a lot on company debt.

#### **Debt to Equity Ratio (Total Debt to Equity Ratio)**

Calculation of debt to equity ratio (total debt to equity ratio) at PT. Garuda Indonesia, Tbk. for the period 2014-2018 the calculation results are shown in Table 4 below:

**Table 4. Calculation of the Debt to Equity Ratio (Total Debt to Equity Ratio) at PT. Garuda Indonesia, Tbk. 2014-2018 Period**

<b>Year</b>	<b>Total Amoun of debt</b>	<b>Total Capital</b>	<b>Rasio (%)</b>
2014	2,184,103,458	916,712,520	238.25%
2015	2,359,287,801	950,723,185	248.16%
2016	2,727,672,171	1,009,897,219	270.09%
2017	2,825,822,893	937,469,200	301.43%
2018	3,461,471,314	910,188,372	380.30%
<b>Total</b>	<b>13,558,357,637</b>	<b>4,724,990,496</b>	<b>1438.24%</b>
<b>Average</b>	<b>2,711,671,527</b>	<b>944,998,099</b>	<b>287.65%</b>

Source: Results of secondary data reprocessed, 2020

Based on Table 4 above, it can be seen that the average value of the Debt to Equity Ratio (Total Debt to Equity Ratio) of PT. Garuda Indonesia, Tbk. during the 2014-2018 period, 287.65% were in the health assessment criteria. This refers to the Decree of the Minister of SOE Number: KEP-100/MBU/2002 which states that the average value of the debt to equity ratio (total debt to equity ratio) of 287.65% is in the limit value greater than 95, with AAA (Healthy) assessment criteria.

This shows that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk., can reduce the risk of failure to pay off the company's debts. This means that during the period 2014 to 2018 the failure rate of PT. Garuda Indonesia, Tbk. in paying the company's debts is getting smaller so that the company's solvency condition is in good condition.

In the Solvency Ratio in Tables 3 and 4 above, it can be seen from the average Total Debt to Asset Ratio (DAR) of PT. Garuda Indonesia, Tbk. in 5 (five) years of research, namely the period 2014-2018 was 73.79%. While the standard total debt to asset ratio (DAR) is 35% (Kasmir, 2011:157). Therefore, the average value of the total debt to asset ratio (DAR) at PT. Garuda Indonesia, Tbk. for the period 2014-2018 are in a healthy state because the higher this ratio, the risk of the company being unable to pay its debts will be smaller. For the average Debt to Equity Ratio (DER) at PT. Garuda Indonesia, Tbk. in 5 (five) years of research is 287.65%. Meanwhile, the standard debt to equity ratio (DER) is 380%. Therefore, the average debt to equity ratio of PT. Garuda Indonesia, Tbk.

### **Financial Performance of PT. Garuda Indonesia, Tbk seen from the Profitability Ratio**

The profitability ratio in the context of this study is a ratio to assess the ability of PT. Garuda Indonesia, Tbk. in search of an advantage.

### **Gross Profit Margin Ratio**

Calculation of gross profit margin ratio (gross profit margin) PT. Garuda Indonesia, Tbk. the period 2014-2018 with the calculation results as shown in Table 5 below:

**Table 5. Calculation of Gross Profit Margin Ratio (Gross Profit Margin) at PT. Garuda Indonesia, Tbk. 2014-2018 Period**

<b>Year</b>	<b>Gross profit</b>	<b>Sales</b>	<b>Rasio (%)</b>
2014	(399,313,006)	3,933,530,272	-10.15%
2015	168,745,441	3,814,989,745	4.42%
2016	99,103,939	3,863,921,565	2.56%
2017	(76,181,178)	4,177,325,781	-1.82%
2018	100,801,326	4,373,177,070	2.30%
<b>Total</b>	<b>(106,843,478)</b>	<b>20,162,944,433</b>	<b>-2.68%</b>
<b>Average</b>	<b>(21,368,696)</b>	<b>4,032,588,887</b>	<b>-0.54%</b>

Source: Results of primary data reprocessed, 2020



Based on Table 5 above, it can be seen that the average value of the Gross Profit Margin Ratio (Gross Profit Margin) of PT. Garuda Indonesia, Tbk. during the period 2014-2018 was -0.54% in the Unhealthy assessment criteria. This refers to the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002 which states that the average value of the gross profit margin of -0.54% is within the limit of TS value < 10, with the assessment criteria C (Unhealthy).

This means that during the period 2014 to 2018 the financial condition of PT. Garuda Indonesia, Tbk. is not in a favorable condition or the company suffers losses from its operational activities in the domestic and international aviation services sector.

### **Net Profit Margin Ratio (Net Profit Margin)**

Calculation of net profit margin ratio (net profit margin) at PT. Garuda Indonesia, Tbk. for the period 2014-2018 with the calculation results as shown in Table 6 below:

**Table 6. Calculation of Net Profit Margin Ratio (Net Profit Margin) at PT. Garuda Indonesia, Tbk. 2014-2018 Period**

<b>Year</b>	<b>EBIT</b>	<b>Total assets</b>	<b>Rasio (%)</b>
2014	(460,537,989)	3,100,815,978	-14.85%
2015	106,660,147	3,310,010,986	3.22%
2016	17,790,700	3,737,569,390	0.48%
2017	(158,180,637)	3,763,292,093	-4.20%
2018	19,009,608	4,371,659,686	0.43%
<b>Total</b>	<b>(475,258,171)</b>	<b>18,283,348,133</b>	<b>-14.92%</b>
<b>Average</b>	<b>(95,051,634)</b>	<b>3,656,669,627</b>	<b>-2.98%</b>

Source: Results of secondary data reprocessed, 2020

Based on Table 6 above, it can be seen that the average value of the Net Profit Margin Ratio (Net Profit Margin) of PT. Garuda Indonesia, Tbk. during the period 2014-2018 was -2.98% in the Unhealthy assessment criteria. This refers to the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002 which states that the average net profit margin ratio of -2.98% is within the limit of TS value < 10, with the assessment criteria C (Unhealthy).

This shows that during the period from 2014 to 2018 the operational activities of PT. Garuda Indonesia, Tbk. in the aviation services sector is considered not to provide benefits to the company's financial sector. This means that during the period 2014 to 2018 the financial condition of PT. Garuda Indonesia, Tbk. tend to experience losses because the company's operating costs are higher than the company's income so that the company's profit after interest and tax (EBIT) has a negative growth rate.

### Return On Investment (ROI) Ratio

The calculation of ROI (return on investment ratio at PT. Garuda Indonesia, Tbk. for the period 2014-2018 with the calculation results is shown in Table 7 below:

**Table 7. Calculation of Return On Investment (ROI) Ratio at PT. Garuda Indonesia, Tbk. 2014-2018 Period**

Year	EBIT	Total assets	Rasio (%)
2014	(460,537,989)	3,100,815,978	-14.85%
2015	106,660,147	3,310,010,986	3.22%
2016	17,790,700	3,737,569,390	0.48%
2017	(158,180,637)	3,763,292,093	-4.20%
2018	19,009,608	4,371,659,686	0.43%
<b>Total</b>	<b>(475,258,171)</b>	<b>18,283,348,133</b>	<b>-14.92%</b>
<b>Average</b>	<b>(95,051,634)</b>	<b>3,656,669,627</b>	<b>-2.98%</b>

Source: Results of secondary data reprocessed, 2020

Based on Table 7 above, it can be seen that the average value of the Return On Investment (ROI) Ratio of PT. Garuda Indonesia, Tbk. during the period 2014-2018 was -2.98% in the Unhealthy assessment criteria. This refers to the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002 which states that the average net profit margin ratio of -2.98% is within the limit of  $TS < 10$ , with the assessment criteria C (Unhealthy).

This shows that during the period from 2014 to 2018 the operational activities of PT. Garuda Indonesia, Tbk. does not provide benefits to the company's financial sector. This means that during the period 2014 to 2018 the financial condition of PT. Garuda Indonesia, Tbk. tend to experience losses because of the management of PT. Garuda Indonesia, Tbk. considered ineffective in managing the company's investment in the country's aviation services sector.

### Return On Equity (ROE) Ratio

Calculation of the ratio of return on equity (ROE) at PT. Garuda Indonesia, Tbk. for the period 2014-2018 with the calculation results shown in Table 8. below:

**Table 8. Calculation of Return On Equity (ROE) Ratio at PT. Garuda Indonesia, Tbk. 2014-2018 Period**

Year	EBIT	Total Capital	Rasio (%)
2014	(460,537,989)	916,712,520	-50.24%
2015	106,660,147	950,723,185	11.22%
2016	17,790,700	1,009,897,219	1.76%
2017	(158,180,637)	937,469,200	-16.87%
2018	19,009,608	910,188,372	2.09%

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<b>Total</b>	<b>(475,258,171)</b>	<b>4,724,990,496</b>	<b>-52.04%</b>
<b>Average</b>	<b>(95,051,634)</b>	<b>944,998,099</b>	<b>-10.41%</b>

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Source: Results of secondary data reprocessed, 2020

Based on Table 8 above, it can be seen that the average value of the Return On Equity Ratio (ROE) at PT. Garuda Indonesia, Tbk. during the 2014-2018 period, -10.41% was in the Unhealthy assessment criteria. This refers to the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002 which states that the average return on equity (ROE) ratio of -10.41% is within the limit of  $TS < 10$ , with the assessment criteria C (Not healthy).

This shows that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk. does not benefit from the company's operational activities in the domestic aviation service sector. This means that during the period 2014 to 2018 PT. Garuda Indonesia, Tbk. not making a profit (profit) from the company's operational activities is marked by the weak position of the company owner or company owner's shares in the national aviation industry stock exchange market This means that the company is less able to compete with other domestic aviation service industries in the country.

Based on the results of the calculation of the Profitability Ratio above, it can be seen the average value of Gross Profit Margin (GPM) of PT. Garuda Indonesia, Tbk in 5 (five) years of research is -0.54%. While the industry standard Gross Profit Margin (GPM) is 30% (Kasmir, 2011:200). This shows that the ratio of Gross Profit Margin (GPM) of PT. Garuda Indonesia, Tbk. for the period 2014-2018 it is said to be unfavorable or unhealthy because it is far below the industry average.

For the average value of the ratio of Net Profit Margin (NPM) PT. Garuda Indonesia, Tbk. in 5 (five) years of research is -2.36%. While the industry standard Net Profit Margin (NPM) is 20% (Kasmir, 2011:201). This shows that the ratio of Net Profit Margin (NPM) at PT. Garuda Indonesia, Tbk. for the research period 2014-2018 it is said to be less good or unhealthy because it is far below the industry average.

From the average Return On Investment (ROI) of PT. Garuda Indonesia, Tbk. in 5 (five) years of research is -2.98%. While the industry standard Return On Investment (ROI) is 30% (Kasmir, 2011:203). This shows that the average value of the Return On Investment (ROI) ratio at PT. Garuda Indonesia, Tbk. for the period 2014-2018 is not good or not healthy because of PT. Garuda Indonesia, Tbk. has not been able to generate sufficient profits through investments made in assets.

From the average Return On Equity (ROE) of PT. Garuda Indonesia, Tbk. in 5 (five) years of research is -10.41%. While the industry standard Return On Investment (ROI) is 40% (Kasmir, 2011:205). This shows that the average value of the Return On Equity (ROE) ratio at PT. Garuda Indonesia, Tbk. looks bad or unhealthy, because of PT. Garuda Indonesia, Tbk. has not been able to manage capital effectively from investments that have been made by capital owners or company shareholders.

## **CONCLUSIONS**

This study concludes that the financial performance of PT. Garuda Indonesia, Tbk. when viewed from the liquidity ratio during the period 2014-2018, it is in the unhealthy assessment criteria (BBB) with an average Current Ratio of 58.96% and a Quick Ratio of 52.80% is at the limit of the interval value is  $50 < TS < 65$ , with the assessment criteria of BBB (Unhealthy) by the Decree of the Minister of SOE Number: KEP-100/MBU/2002. Furthermore, the financial performance of PT. Garuda Indonesia, Tbk. when viewed from the solvency ratio during the period 2014-2018, it is within a healthy assessment criterion (A) with an average value of the Debt to Assets Ratio (Total Debt to Asset Ratio) of 73.79% and the Debt to Capital Ratio (Total Debt to Equity Ratio) of 287.65% is in the limit value greater than 95, with the AAA (Healthy) assessment criteria according to the Decree of the Minister of SOE Number: KEP-100/MBU/2002. And the financial performance of PT. Garuda Indonesia, Tbk. when viewed from the profitability ratio during the period 2014-2018, it is in an unhealthy assessment criterion (C) with an average Gross Profit Margin Ratio of -0.54%, Net Profit Margin Ratio ) and the Return On Investment (ROI) ratio of -2.98% respectively, and the Return On Equity Ratio (ROE) of -10.41% are within the TS value  $< 10$ , with the assessment criteria C (Unhealthy) according to with the Decree of the Minister of BUMN Number: KEP-100/MBU/2002.

## **SUGGESTION**

Recommended advice to PT. Garuda Indonesia, Tbk. must minimize the amount of debt owned so as not to exceed the assets and capital and the company's expenses are too high by optimizing the company's revenue sourced from passenger ticket prices and cargo costs. And also PT. Garuda Indonesia, Tbk. it is better to be more efficient in using the company's assets and capital in the company's operational financing activities which are fundamental in supporting the company's operations in the aviation services sector so that it can reduce the company's capital costs because efficiency in capital costs will lead to better company profitability.

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