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FINANCIAL RATIO ANALYSIS TO ASSESS COMPANY FINANCIAL PERFORMANCE: A CASE STUDY OF PT GARUDA INDONESIA (PERSERO) TBK 2020-2023

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Abstrak
This study aims to analyze the financial performance of PT Garuda Indonesia (Persero) Tbk. for the 2020-2023 period using liquidity, solvency, and profitability ratios. This period encompasses the pandemic crisis, debt restructuring through the PKPU (Commercial Debt Recovery Plan), and the initial operational recovery. The method used is descriptive quantitative, with secondary data in the form of audited consolidated financial statements for 2020-2023. The results show that the liquidity ratio during the analysis period was well below industry standards, reflecting the company's inability to meet short-term obligations. The solvency ratio also indicates a very poor condition, with a debt-to-asset ratio above 100%, indicating total debt exceeding assets and remaining negative equity. Nevertheless, the profitability ratio showed significant improvement from a large loss in 2021 to a positive net profit margin of 10.55% in 2023. Overall, Garuda Indonesia's financial performance during 2020-2023 was still in a critical condition in terms of liquidity and solvency, but showed signs of profitability recovery after the PKPU restructuring, so the company still needed capital strengthening to achieve a healthy financial structure.

INTRODUCTION

PT Garuda Indonesia (Persero) Tbk. is Indonesia's national airline, operating since 1949 and listed on the Indonesia Stock Exchange since 2011. As the only state-owned aviation company listed on the IDX, Garuda's financial condition is not only relevant to shareholders and creditors but also has broad implications for national connectivity, tourism, and public confidence in the Indonesian aviation industry.

The period from 2020 to 2023 was one of the most dramatic in Indonesian corporate history. The COVID-19 pandemic, which began in early 2020, caused a drastic decline in global flight demand of more than 60%, hitting the global aviation industry hard. Garuda's crisis was exacerbated by its already fragile financial condition, including a massive aircraft lease debt burden and a governance scandal that was exposed in 2019, according to Tim Harian Kompas (2019). Yohana Artha Uly & Yoga Sukmana (2021) emphasized that this situation prompted the company to file a Debt Payment Suspension (PKPU) with the Commercial Court in 2021, which was completed in December 2021 through the homologation of a comprehensive restructuring plan.

Financial ratio analysis is the most commonly used tool to systematically assess a company's financial performance. According to Buntu, B. (2023), a financial ratio is a number obtained from comparing one financial statement item with another item that has a relevant and significant relationship. Through ratio analysis, stakeholders can obtain an overview of the company's liquidity position, leverage level, and profit-generating ability. Herbowo and Saputri (2023) emphasized that financial ratio analysis is used to identify the strengths and weaknesses of a company's financial performance from available financial statements.

The case study of Garuda Indonesia in the 2020-2023 period offers a unique context: the company's equity was negative for four consecutive years, something that is rare for large public companies. This situation presents a unique analytical challenge because several conventional ratios produce values that cannot be interpreted in the usual way. This study aims to comprehensively analyze the financial performance of PT Garuda Indonesia (Persero) Tbk through liquidity, solvency, and profitability ratios, and provide a contextual interpretation of these results, taking into account the negative equity conditions that persisted during the analysis period.

Problem Formulation

Based on the background described, the problem formulations in this study are as follows: (1) What was the liquidity condition of PT Garuda Indonesia (Persero) Tbk during 2020-2023?; (2) What was the solvency condition of PT Garuda Indonesia (Persero) Tbk during 2020-2023?; (3) What was the profitability condition of PT Garuda Indonesia (Persero) Tbk during 2020-2023?

Research Objectives

The purpose of this study is to determine, analyze, and explain the financial performance of PT Garuda Indonesia (Persero) Tbk. 2020-2023 based on liquidity ratios, solvency ratios, and profitability ratios, and interpreting them in the context of the crisis, restructuring, and recovery cycles experienced by the company.

REVIEW OF LITERATUES

Financial Reports

Financial reports are a source of information that summarizes all company activities during a specific period. According to Jumingan & MM (2023), financial reports are prepared with the aim of presenting a periodic report on the company's progress. A complete financial report consists of a statement of financial position (balance sheet), a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements. Hulaimi (2023) states that financial reports are a crucial tool for obtaining information regarding the financial position and results achieved by the company in question.

Muktiana et al. (2023)emphasize that financial reports describe the financial condition and results of a company's operations at a specific point in time or over a specific period. Parties interested in financial reports include management, investors, creditors, the government, and the general public. In the context of public companies like Garuda Indonesia, financial report disclosure is a requirement regulated by the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX).

Financial Ratio Analysis

Financial ratio analysis is the most frequently used analytical method to evaluate a company's financial condition and performance. Sutrisno (2013) defines financial ratio analysis as a way of connecting elements in financial statements for further interpretation. Mujaddid & Edy (2023) state that financial ratios are crucial analytical tools for understanding and assessing a company's financial condition. Arifin, M.R.R.(2025) divides financial ratios into five main groups: liquidity ratios, asset management ratios, debt management ratios, profitability ratios, and market value ratios.

Adyansah & Suhatmi (2025) state that financial statement analysis is the process of dissecting financial statements into their components and examining each component with the aim of gaining a good and accurate understanding of the financial statements themselves. Furthermore, Fatmawati (2025) emphasizes that financial ratio analysis enables financial managers and stakeholders to quickly evaluate financial conditions, particularly identifying a company's strengths and weaknesses.

Liquidity Ratios

Liquidity ratios measure a company's ability to meet its short-term obligations. Kaaba et al. (2022)state that the liquidity ratio reflects a company's ability to meet short-term obligations. Ramadhani (2026) divides liquidity ratios into three main indicators: the current ratio, the quick ratio, and the cash ratio. The current ratio is calculated by dividing current assets by current liabilities. The quick ratio is the ratio of current assets minus inventory to current liabilities. The cash ratio compares cash and cash equivalents to current liabilities. The industry standard for the current ratio is 200%, the quick ratio 150%, and the cash ratio 50% Ramadhani (2026).

Solvency Ratio

The solvency ratio, or leverage ratio, measures the extent to which a company's funding needs are financed by debt. According to Kaaba et al. (2022), the solvency ratio is used to measure the extent to which a company's assets are financed by debt. Sutrisno (2013) explains that the lower the solvency ratio, the lower the risk a company faces in the event of an economic downturn. Conversely, the higher the solvency ratio, the greater the amount of debt used and the greater the business risk faced. The industry standard for the debt-to-asset ratio is 35%, and the debt-to-equity ratio is 90% (Sutrisno, 2013). If equity is negative, the debt-to-equity ratio cannot be interpreted conventionally and requires a more in-depth contextual analysis (Ross, Westerfield, & Jordan, 2019).

Profitability Ratios

Profitability ratios measure a company's ability to generate profits. According to Fatmawati (2025), profitability ratios are used to measure the level of profit a company can earn. Hery (2016) states that profitability ratios are ratios that describe a company's ability to generate profits through all its capabilities and resources, namely those derived from sales activities, asset utilization, and capital utilization. The three main indicators used in this study are net profit margin (NPM), return on equity (ROE), and return on investment (ROI), with industry standards of 20%, 40%, and 30%, respectively (Sutrisno, 2013).

Financial Performance

According to Rudianto (2013), financial performance is the result of achievements achieved by company management in carrying out its function of managing company assets effectively during a certain period. Fahmi (2012) added that financial performance describes the financial condition of an organization, analyzed using financial analysis tools, so that it can be known whether the financial condition of an organization is good or bad, which reflects work performance in a certain period. Financial performance assessment is very necessary for companies to know and evaluate the level of company success based on the financial activities that have been carried out Jumingan & MM (2023).

METHODS, DATA, AND ANALYSIS

Research Approach

This research uses a descriptive method with a quantitative approach. As explained by Sugiyono (2014) and Afif et al. (2023), a quantitative approach is a research approach based on the philosophy of positivism, used to research specific populations or samples. Data collection uses research instruments, and data analysis is quantitative/statistical. The purpose of this quantitative descriptive research is to describe the company's financial condition based on financial ratios. In other words, the quantitative descriptive method in this study is used to systematically describe the financial condition of PT Garuda Indonesia through financial ratio calculations and comparisons with industry standards.

Data Type and Source

The type of data used is secondary data, namely consolidated financial statements audited by an independent auditor (PricewaterhouseCoopers/PwC). The data are sourced from two official annual reports: (1) Consolidated Financial Statements of PT Garuda Indonesia (Persero) Tbk for the years ended December 31, 2023, and 2022; (2) Consolidated Financial Statements of PT Garuda Indonesia (Persero) Tbk for the years ended 31 December 2021, and 2020. All figures in the financial statements are stated in United States dollars (USD), as per the company's reporting policy in effect since 2018. Data collection techniques were carried out through documentation and library research.

Data Analysis Technique

Data analysis was conducted using comparative descriptive analysis techniques. Financial ratios were calculated using a standard formula adapted from Aldiana Agustin & Vidya Amalia Rismanty (2022). The results were then compared with industry standards to determine the company's financial condition. The formula used is as follows:

Liquidity Ratios:

Current Ratio = (Current Assets / Current Liabilities) × 100%
Quick Ratio = ((Current Assets - Inventory) / Current Liabilities) × 100%
Cash Ratio = (Cash and Cash Equivalents / Current Liabilities) × 100%

Solvency Ratios:

Debt to Asset Ratio = (Total Liabilities / Total Assets) × 100%
Debt to Equity Ratio = (Total Liabilities / Total Equity) × 100%

Profitability Ratios:

Net Profit Margin = (Operating Profit/Loss / Total Revenue) × 100%
Return on Equity = (Net Profit/Loss / Total Equity) × 100%
Return on Investment = (Net Profit/Loss / Total Assets) × 100%

RESULTS AND DISCUSSION

Overview of PT Garuda Indonesia (Persero) Tbk's Financial Statements

Before conducting the Ratio Analysis, the following table presents a summary of PT Garuda Indonesia (Persero) Tbk's key financial data for the years 2020 to 2023. All figures are expressed in USD (US Dollars), as per the company's official report.

Table 1. Summary of Financial Position Report of PT Garuda Indonesia (Persero) Tbk 2020-2023 (in USD)

Komponen	2020	2021	2022	2023
Current Assets	536,547,176	305,725,029	801,153,825	653,772,901
Inventories	105,199,006	73,033,991	67,986,260	116,246,316
Cash and Cash Equivalents	200,979,909	54,442,439	521,682,689	289,846,369
Total Assets	10,789,980,407	7,192,745,360	6,235,010,979	6,727,645,053
Current Liabilities	4,294,797,755	5,771,313,185	1,681,029,672	1,165,155,552
Total Liabilities	12,733,004,654	13,302,805,075	7,770,110,129	8,010,372,227
Total Equity (Deficiency)	-1,943,024,247	-6,110,059,715	-1,535,099,150	-1,282,727,174

Source: Consolidated Financial Report of PT Garuda Indonesia (Persero) Tbk 2020-2023, processed.

Table 2. Summary of PT Garuda Indonesia (Persero) Tbk's Profit and Loss Report 2020-2023 (in USD)

Komponen	2020	2021	2022	2023
Total Operating Revenue	1,492,331,099	1,336,678,470	2,100,079,558	2,936,631,094
Operating Profit/(Loss)	-2,203,059,625	-3,962,167,447	-419,347,827	309,859,637
Net Profit/(Loss)	-2,476,633,349	-4,174,004,768	3,736,670,304	251,996,580

Source: Consolidated Financial Statements of PT Garuda Indonesia (Persero) Tbk 2020-2023, processed. Note: Net profit in 2022 of USD 3.74 billion was significantly impacted by non-recurring USD 2.85 billion in income from PKPU debt restructuring.

Liquidity Ratio Analysis

Liquidity ratios measure a company's ability to meet short-term obligations that are due soon. The following presents the results of the calculations for the three liquidity indicators.

Table 3. Calculation of the Current Ratio of PT Garuda Indonesia (Persero) Tbk 2020-2023

Year	Current Ratio	Industry Standard	Description
2020	12.49%	200%	Poor (< Standard)
2021	5.30%	200%	Poor (< Standard)
2022	47.66%	200%	Poor (< Standard)
2023	56.11%	200%	Poor (< Standard)
Average	**30.39%**	200%	Poor

Source: Financial Report of PT Garuda Indonesia (Persero) Tbk, processed (2024). Red = below industry standards; green = meets standards.

Based on Table 3, PT Garuda Indonesia's current ratio during the 2020-2023 period consistently fell well below the industry standard of 200%. In 2020, the current ratio was only 12.49%, meaning that every USD 1 of current debt was secured by only USD 0.12 of current assets. The worst condition occurred in 2021, with a current ratio of 5.30%, reflecting extreme liquidity pressure due to the accumulation of maturing debt during the PKPU (Commitment to Payment for Debt) process. Following the successful completion of the restructuring, significant improvement occurred in 2022 (47.66%) and continued in 2023 (56.11%), although it remained well below the industry standard. The average current ratio over the four years was 30.39%, indicating very poor liquidity conditions.

Table 4. Calculation of Quick Ratio of PT Garuda Indonesia (Persero) Tbk 2020-2023

Tahun	Quick Ratio	Standar Industri	Keterangan
2020	10.04%	150%	Poor (< Standard)
2021	4.03%	150%	Poor (< Standard)
2022	43.61%	150%	Poor (< Standard)
2023	46.13%	150%	Poor (< Standard)
Average	**25.95%**	150%	Poor

Source: Financial Report of PT Garuda Indonesia (Persero) Tbk, processed (2024). Red = below industry standards; green = meets standards.

The quick ratio generally follows the same pattern as the current ratio. The lowest value was recorded in 2021 at 4.03%, and the highest in 2023 at 46.12%. Garuda's inventory is relatively small compared to total current assets, so the difference between the current ratio and the quick ratio is not significant. The four-year average quick ratio was 26.20%, well below the 150% standard, indicating that even the most liquid assets are insufficient to cover all current liabilities.

Table 5. Cash Ratio Calculation of PT Garuda Indonesia (Persero) Tbk 2020-2023

Tahun	Cash Ratio	Standar Industri	Keterangan
2020	4.68%	50%	Poor (< Standard)
2021	0.94%	50%	Poor (< Standard)
2022	31.03%	50%	Poor (< Standard)
2023	24.88%	50%	Poor (< Standard)
Average	**15.38%**	50%	Poor

Source: Financial Report of PT Garuda Indonesia (Persero) Tbk., processed (2024). Red = below industry standards; green = meets standards.

The cash ratio reflects the most conservative ability to cover current liabilities, namely with cash and cash equivalents only. In 2021, the cash ratio reached its lowest point at 0.94%, meaning available cash was virtually negligible compared to the current debt burden. Improvement occurred in 2022 (31.03%) due to the influx of fresh cash from the restructuring and operational recovery process, but declined again in 2023 (24.88%) due to the use of cash for operations. The average cash ratio was 15.38%, still below the industry standard of 50%.

Solvency Ratio Analysis

The solvency ratio measures the extent to which a company's funding needs are financed by debt. In the case of PT Garuda Indonesia, the specific situation involved negative equity throughout the 2020-2023 period. Therefore, interpreting the debt-to-equity ratio requires a different contextual approach than for a typical company. Negative equity indicates that accumulated losses have eroded all paid-in capital, resulting in an equity deficiency.

Table 6. Calculation of Debt to Asset Ratio of PT Garuda Indonesia (Persero) Tbk 2020-2023

Tahun	Debt to Asset Ratio	Standar Industri	Keterangan
2020	118.01%	35%	Baik (≥ Standar)
2021	184.95%	35%	Baik (≥ Standar)
2022	124.62%	35%	Baik (≥ Standar)
2023	119.07%	35%	Baik (≥ Standar)
Average	**136.66%**	35%	Baik

Source: Financial Report of PT Garuda Indonesia (Persero) Tbk, processed (2024). The industry standard of 35% indicates good conditions; a value above 100% means total debt exceeds total assets.

PT Garuda Indonesia's debt-to-asset ratio was above 100% throughout the analysis period, technically meaning the company's total debt exceeded its total assets. This condition directly reflects negative equity. In 2021, this ratio peaked at 184.96%, meaning that every USD 1 of assets was funded by USD 1.85 in debt. After the PKPU (Cash Order for Debt Restructuring) process successfully eliminated most of the debt, the ratio decreased to 124.62% in 2022 and slightly increased to 119.07% in 2023. However, all these values remain well above the industry standard of 35%, indicating a very poor solvency situation.

Table 7. Calculation of Debt to Equity Ratio of PT Garuda Indonesia (Persero) Tbk 2020-2023

Tahun	Debt to Equity Ratio	Standar Industri	Keterangan
2020	-655.32%	90%	Poor (< Standard)
2021	-217.72%	90%	Poor (< Standard)
2022	-506.16%	90%	Poor (< Standard)
2023	-624.48%	90%	Poor (< Standard)
Average	**-500.92%**	90%	Poor

Source: Financial Report of PT Garuda Indonesia (Persero) Tbk, processed (2024). Note: Equity was negative throughout the period, so a negative DER cannot be interpreted conventionally..

The debt-to-equity ratio produced negative values throughout 2020-2023 due to negative equity (capital deficiency). Mathematically, dividing a positive number (total debt) by a negative number (equity) results in a negative value. In financial literature, this condition indicates a company is technically insolvent, where total liabilities exceed the value of total assets (Ross, Westerfield, & Jordan, 2019). A negative DER value cannot be directly compared to the industry standard of 90%; however, it is important to note that the smaller the absolute value of the equity deficiency, the better the company's condition. Based on data, the largest equity deficiency occurred in 2021 at USD -6.11 billion and gradually improved to USD -1.28 billion in 2023.

Profitability Ratio Analysis

Profitability ratios measure a company's ability to generate profits from its business activities..

Table 8. Calculation of Net Profit Margin of PT Garuda Indonesia (Persero) Tbk 2020-2023

Tahun	Net Profit Margin	Standar Industri	Keterangan
2020	-147.63%	20%	Poor (< Standard)
2021	-296.42%	20%	Poor (< Standard)
2022	-19.97%	20%	Poor (< Standard)
2023	10.55%	20%	Poor (< Standard)
Average	**-113.37%**	20%	Poor

Source: PT Garuda Indonesia (Persero) Tbk Financial Report, processed (2024). NPM is calculated using Operating Profit/Loss (before non-recurrent income from debt restructuring).

Net profit margin, calculated based on operating profit/loss (before non-recurring income from debt restructuring), shows a very dramatic trend. In 2020, the NPM of -147.62% reflected massive operational losses due to the pandemic, with every USD 1 of revenue generating an operating loss of USD 1.48. Conditions worsened in 2021, with an NPM of -296.42%, the worst in the company's history. 2022 saw significant improvement with an NPM of -19.97%, and finally, in 2023, for the first time in four years, Garuda recorded a positive NPM of 10.55%, still below the industry standard of 20%.

Table 9. Calculation of Return on Equity of PT Garuda Indonesia (Persero) Tbk 2020-2023

Tahun	Return on Equity	Standar Industri	Keterangan
2020	127.46%	40%	Good (≥ Standard)
2021	68.31%	40%	Good (≥ Standard)
2022	-243.42%	40%	Poor (< Standard)
2023	-19.65%	40%	Poor (< Standard)
Average	**-16.83%**	40%	Poor

Source: Financial Report of PT Garuda Indonesia (Persero) Tbk, processed (2024). Note: ROE cannot be interpreted conventionally because equity has a negative value throughout the period.

Return on equity yielded mathematically positive values in 2020 (127.47%) and 2021 (68.32%) because net loss divided by negative equity yields a positive value (negative/negative = positive). This value does not reflect good performance; rather, it is a mathematical artifact of the negative equity condition. In 2022 and 2023, with positive net profit but still negative equity, ROE became negative (-243.44% and -19.64%, respectively). This condition is not comparable to conventional industry standards. Margaretha (2011) emphasized that in negative equity conditions, ROE analysis must be complemented by a more in-depth analysis of cash flow and capital structure.

Table 10. Calculation of Return on Investment of PT Garuda Indonesia (Persero) Tbk 2020-2023

Tahun	Return on Investment	Standar Industri	Keterangan
2020	-22.95%	30%	Poor (< Standard)
2021	-58.03%	30%	Poor (< Standard)
2022	59.93%	30%	Good (≥ Standard)
2023	3.75%	30%	Poor (< Standard)
Average	**-4.33%**	30%	Poor

Source: PT Garuda Indonesia (Persero) Tbk Financial Report, processed (2024). The 2022 ROI was very high due to the impact of non-recurrent debt restructuring revenue (USD 2.85 billion).

Return on investment shows a more consistent trend than ROE because it uses total assets (which are always positive) as the denominator. In 2020 and 2021, the ROI was negative at -22.95% and -58.03%, respectively, reflecting the failure of total assets to generate positive returns. 2022 recorded an extreme ROI of 59.93%, but this figure was significantly distorted by non-recurring revenue from debt restructuring worth USD 2.85 billion, which did not reflect the company's true operational capabilities. In 2023, the normalized ROI of 3.75% remained below the industry standard of 30% but reflected a genuine recovery in core business operations.

Summary of Financial Ratio Analysis Results

Table 11. Recapitulation of Financial Ratios of PT Garuda Indonesia (Persero) Tbk 2020-2023

Rasio	Standar	2020	2021	2022	2023	Rata-rata	Kondisi
Current Ratio	200%	12.49%	5.30%	47.66%	56.11%	30.39%	Poor
Quick Ratio	150%	10.04%	4.03%	43.61%	46.13%	25.95%	Poor
Cash Ratio	50%	4.68%	0.94%	31.03%	24.88%	15.38%	Poor
Debt to Asset	35%	118.01%	184.95%	124.62%	119.07%	136.66%	Poor
Debt to Equity	90%	-655.32%	-217.72%	-506.16%	-624.48%	N/A*	Not Good
Net Profit Margin	20%	-147.63%	-296.42%	-19.97%	10.55%	-113.37%	Cannot Be Assessed*
Return on Equity	40%	127.46%	68.31%	-243.42%	-19.65%	N/A*	Poor
Return on Investment	30%	-22.95%	-58.03%	59.93%	3.75%	-4.33%	Cannot Be Assessed*

*Note: Negative equity throughout the period makes DER and ROE uninterpretable in the conventional sense. See discussion in Sections 4.3 and 4.4.

CONCLUSION AND SUGGESTIONS

Conclusion

Based on the results of the financial ratio analysis of PT Garuda Indonesia (Persero) Tbk for 2020-2023, the following conclusions can be drawn:

First, in terms of liquidity ratios, the company's financial performance was very poor throughout the entire analysis period. The average current ratio was 30.39%, the quick ratio 26.20%, and the cash ratio 15.38%, all well below industry standards of 200%, 150%, and 50%, respectively. The most critical condition occurred in 2021, when the cash ratio was only 0.94%. Gradual improvements began to appear in 2022 and 2023 following the successful restructuring of the PKPU (Deferred Payment for Debt), but have not yet reached an adequate level.

Second, in terms of solvency ratios, the company's financial condition is very poor and even exceeds the limits of conventional ratio interpretation. A debt-to-asset ratio above 100% throughout the period indicates total debt exceeding total assets, while negative equity values prevent the debt-to-equity ratio from being interpreted traditionally. The company is in technical insolvency, although there has been a marked improvement after the PKPU (Commercial Payment for Public Offering) process significantly reduced the debt burden.

Third, in terms of profitability ratios, there has been significant progress, but it remains inadequate. The operating net profit margin successfully reversed from -

296.42% in 2021 to +10.55% in 2023, signaling a recovery in the ability to generate profits from core operations. Return on investment, adjusted for restructuring distortions, showed 3.75% in 2023, still below the 30% standard but a positive sign of recovery. ROE cannot be assessed conventionally because equity remains negative.

Recommendations

Based on these conclusions, several recommendations can be made. For PT Garuda Indonesia's management, the top priority is to strengthen its equity position through a rights issue or capital injection from state shareholders, considering that negative equity represents the biggest structural obstacle to long-term recovery. Control of operating costs, particularly aircraft lease and maintenance costs, needs to be continuously optimized to improve operating margins. Increasing revenue through route diversification and increasing load factors is also crucial to accelerating profitability recovery.

For the government, as the majority shareholder, a study of recapitalization options should be considered to support the company's long-term operational sustainability. Future researchers could expand this research by adding cash flow analysis, comparative analysis with other regional airlines (such as Malaysia Airlines or Thai Airways, which have undergone similar restructuring processes), or applying bankruptcy prediction models such as the Altman Z-Score to provide a more comprehensive picture.

Relevance and Implications for the Indonesian Context

The findings of this study have significant relevance for the Indonesian context, particularly in three dimensions. First, from a state-owned enterprise policy perspective, the Garuda case demonstrates the urgency of implementing strong corporate governance and an early warning system for potential defaults in state-owned companies operating in industries characterized by high fixed costs, such as aviation. Second, from a capital market perspective, the four-year negative equity situation raises fundamental questions about the public investor protection mechanism and the transparency of financial information within the national stock exchange system. Third, from a financial management academic perspective, this case provides a concrete empirical context demonstrating that conventional financial ratios have significant analytical limitations when applied to companies with negative equity, necessitating a more adaptive analytical framework.

AI Use Statement

During the preparation of this work, the author used Claude (Anthropic) to assist with the writing structure, academic sentence formulation, and content organization. After using this tool/service, the author reviewed and edited the content as needed and takes full responsibility for the content of the publication, including the accuracy of all financial data sourced directly from the audited financial statements of PT Garuda Indonesia (Persero) Tbk.

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