

Analysis of cash flow statements at PT. Gajah Tunggal, Tbk for the period 2018-2022

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ABSTRACT

Financial statements are reports that present a company's financial condition at a specific point in time or over a certain period. This research aims to analyze the cash flow statements of PT. Gajah Tunggal Tbk for the period 2018-2022. The research method employs quantitative data, and the type of data used is secondary data obtained from (<https://www.gt-tires.com>) and (<https://www.idx.co.id/id>). The analysis utilizes the operating cash flow ratio, capital expenditure ratio, total debt ratio, cash flow to net income ratio, and cash coverage to interest ratio. The results indicate that PT. Gajah Tunggal Tbk's financial performance, as reflected in its cash flow ratios, falls below 1 (<1) or is considered less favorable when analyzed using the operating cash flow ratio, capital expenditure ratio, total debt ratio, and cash flow coverage to interest ratio. However, the cash flow to net income ratio shows a value above 1 (>1), indicating a favorable result.

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1. Introduction

Nowadays, problems that arise and risks faced by companies must be addressed preventively, with the hope of improving the progress and sustainability of the company. Companies need to create plans to handle challenges and intense competition when facing obstacles. Over time, every business must monitor the progress or decline of its operations. Financial statements prepared by management reflect the company's business developments. The achievement of the company's goals and management performance are evaluated in these financial statements. The cash flow statement is an important part of financial reporting because cash flow elements greatly assist in management's decision-making process (Sianipar et al., 2016). Financial statements are information that describes a company's financial condition, which can serve as a basis for understanding the company's financial performance. Financial statements also illustrate the results achieved by the company over a specific period. These statements are essential for measuring the business outcomes and progress of a company over time, to determine the extent to which the company has achieved its goals. Additionally, they can be used to assess the company's ability to meet its obligations. A company's financial performance can be evaluated through its financial statements. The company's financial statements consist of the income statement, balance sheet, cash flow statement, and statement of changes in financial position (Siska, 2020).

The cash flow statement classifies cash receipts and cash payments into operating, investing, and financing activities (Kieso, 2018). The cash flow statement represents the inflows and outflows of cash within a company during a specific period. This statement provides useful information about the company's ability to generate cash from operating activities, make investments, settle obligations, and pay dividends (Hery, 2018). The cash flow statement in a company is presented to provide information about cash to parties

such as management, creditors, and investors, particularly regarding the company's cash position during a specific period. As an integral part of the company's financial statements, the cash flow statement presents data on the company's cash condition from operating, investing, and financing activities. It is essential for companies to include a cash flow statement in their annual financial reports to determine whether the company's financial condition has improved or not. Therefore, financial ratios must be compared with previous years (Polii et al., 2019). Financial performance measured using cash flow can be observed through increases and decreases in cash receipts from customers, bank loans-both short-term and long-term and improvements in the assets owned by the company (Sitohang et al., 2019), (Ngala et al., 2020).

PT Gajah Tunggal Tbk, the manufacturer of GT Radial tires with over 60 years of experience in Indonesia's automotive industry, was selected as one of the 50 best companies in Indonesia in 2013 by Forbes Indonesia. PT Gajah Tunggal Tbk ranked 35th on the list published by Forbes Indonesia in July 2013. The following is the cash flow information of PT. Gajah Tunggal, Tbk, sourced from the Indonesia Stock Exchange. The data is presented in Indonesian Rupiah (IDR) in millions. In 2018, the operating activity value was IDR 479,736, investment activity value was (IDR 535,638), financing activity value was (IDR 6,135), and cash and cash equivalents at the end of the year were (IDR 671,415). In 2019, the operating activity value was IDR 1,258,371, investment activity value was (IDR 636,532), financing activity value was (IDR 647,188), and cash and cash equivalents at the end of the year were (IDR 635,182). In 2020, the operating activity value was IDR 2,598,595, investment activity value was (IDR 394,608), financing activity value was (IDR 1,779,015), and cash and cash equivalents at the end of the year were (IDR 1,045,237). The average values based on cash flow information over three years are as follows: average operating activity value is IDR 1,139,717,526, average investment activity value is (IDR 790,829,414), average financing activity value is (IDR 655,334,528), and average cash and cash equivalents at the end of the year are (IDR 1,734,981,946).

The total cash flow from annual operating activities in 2018 experienced a decline due to low cash generated from business activities and high raw material costs, which increased cash payments to suppliers. Cash flow in 2019 increased due to higher cash receipts from customers and reduced payments to suppliers. In 2020, cash flow saw an increase due to decreased payments to suppliers resulting from lower raw material prices, reduced interest and financial expenses due to lower interest rates and bank loan balances, and reduced income tax payments. Cash flow from investing activities during 2018–2020 showed a negative balance. This was due to increased payments resulting from higher capital expenditures. Cash flow from financing activities during 2018–2020 also showed a negative balance, primarily caused by higher repayments of long-term bank loans. PT. Gajah Tunggal Tbk, as a private tire manufacturer, must be able to compete both financially and in terms of quality with foreign tire product competitors such as Bridgestone and Goodyear. In addition to the strong brand image of these products being well-known in the market, another significant factor is the presence of strong capital. The researcher aims to examine how effectively the financial management of PT. Gajah Tunggal Tbk can compete by strengthening production facilities and infrastructure and enhancing technology to anticipate the increasing market demand.

According to Hery (2018), financial statements are the product of the accounting process and can be used as a tool to communicate a company's financial data and activities to stakeholders. Kasmir (2019) defines financial statements as reports that show a company's financial condition at a specific point in time or over a certain period. In other words, financial statements serve as an informational tool that connects the company with stakeholders and reflects the company's financial health and performance. Financial statements are a vital source of information for those making economic decisions. Financial statements become more useful when their information can be used to predict future events (Thian, 2022). The types of financial statements include the income statement, statement of changes in equity, balance sheet, cash flow statement, and notes to the financial statements (Sujarweni, 2016). Financial statements, simply put, are information about a company's finances that can be used to evaluate its performance over a specific period. With financial statements, company leaders or management can gain a clearer view of the company's condition (Arota et al., 2019). Sukmawati (2019) defines financial ratio analysis as the process of calculating by dividing one element by another element in the company's financial statements to determine the comparison between the two elements. Financial statements are the result of recording all financial transactions within a company (Toto Prihadi, 2020).

According to the statement PSAK No.1 (IAI, 2017), the purpose of financial statements is to provide information about the financial position, performance, and changes in the financial position of a company that is useful to most users in making economic decisions (Hutauruk, 2017). According to Sukamulja (2019) The cash flow statement is a report that shows the flow of cash within a company, such as operating cash

flow, investing cash flow, and financing cash flow. The cash flow statement classifies cash receipts and expenditures into operating, investing, and financing activities (Kieso, 2018). The following are the characteristics of transactions and events that apply to each type of activity: 1) Operating Activities: How cash transactions affect net income, such as receiving cash from the sale of goods and services and paying cash to suppliers and employees. The extent to which an entity's operations can generate enough cash to repay loans, maintain its operational capacity, pay dividends, and make new investments without requiring external financing can be measured through the amount of cash flow generated by operating activities; 2) Investing Activities: This typically includes non-current assets, such as (a) making and collecting loans, and (b) acquiring and disposing of investments and long-term productive assets. 3) Financing Activities consist of liability and equity items, including (a) obtaining funds from creditors and repaying loan amounts, and (b) obtaining capital from owners and providing returns and settling debts. Disclosure of cash flows separate from investing activities is important because cash flows reflect the extent to which expenditures have been made for resources intended to generate profits and future cash flows.

According to Kieso (2018), The primary purpose of the cash flow statement is to provide information about the amount of cash received by the company and the cash payments made during a specific period. The secondary purpose of the cash flow statement is to provide cash-based information about the company's operating, investing, and financing activities. The function of the cash flow statement is to help investors, creditors, and other parties assess things such as: 1) The entity's ability to generate future cash flows; 2) The entity's ability to pay dividends and settle obligations; 3) The reasons for differences between net income and net cash flow from operating activities; and 4) Cash and non-cash transactions related to investing and financing during the period. This study is expected to provide valuable input to the company in improving financial performance, particularly in the cash flow sector such as; analyzing the operating cash flow ratio to current liabilities, analyzing the cash coverage to interest ratio for paying interest on debt, analyzing the cash flow to capital expenditure ratio for investments and debt repayment, analyzing the cash flow to total debt ratio for the company's debt repayment period, and analyzing the cash flow to net income ratio for adjustments in net income calculations.

2. Research Method

The object of this research is PT. Gajah Tunggal Tbk, analyzing the cash flow condition of PT. Gajah Tunggal Tbk using the Operating Cash Flow Ratio (AKO), Cash Coverage Ratio to Interest (CKB), Capital Expenditure Ratio (PM), Total Debt Ratio (TH), and Cash Flow to Net Income Ratio (AKLB). The reason why financial ratios such as Operating Cash Flow and Total Debt Ratio are used is that these financial ratios are considered relevant as they can help the company make more objective and cautious decisions. They provide insights into the company's ability to repay debts, its capacity to generate cash to meet obligations, and how effectively the company manages budgeting, costs, and financial audits.

The type of research conducted is quantitative research. An associative strategy is used in this study to identify the relationship between two or more variables (Sugiyono, 2020). On the other hand, the analysis method in this study employs a descriptive quantitative approach, which describes the subject through sample or population data. However, this study does not aim to produce conclusions that can be generalized. The research is presented in the form of numbers that show the financial statement results of PT. Gajah Tunggal Tbk for the period 2018-2022. The validity and reliability of the data in this study are proven by secondary data sources such as the financial position statement, income statement, and cash flow statement of PT Gajah Tunggal Tbk, which are published on the Indonesia Stock Exchange (IDX) website, <https://www.idx.co.id/id>, as well as the company's official website, <https://www.gt-tires.com/>.

The data collection techniques used in this research are library research and documentation studies. Library research gathers information by studying books related to the input to be discussed or researched, which will serve as the theoretical basis. Documentation studies collect data through documents such as the financial position statements, income statements, and cash flow statements of PT. Gajah Tunggal Tbk for the years 2018-2022, obtained from the official company website and the Indonesia Stock Exchange (IDX). Analyzing a company's cash flow requires calculating several specific ratios. According to Hery (2018), there are 5 types of ratios, namely:

Operating Cash Flow to Current Liabilities Ratio

This ratio shows the company's ability to use operating cash flow to settle its current liabilities.

Formula:

$$\text{Operating Cash Flow to Current Liabilities Ratio} = \frac{\text{Operating Cash Flow}}{\text{Current Liabilities}}$$

Cash Coverage Ratio for Interest

This ratio is used to determine the company's ability to pay interest on its existing debt.

Formula:

$$\text{Cash Coverage Ratio for Interest} = \frac{\text{Operating Cash Flow} + \text{Interest} + \text{Taxes}}{\text{Interest}}$$

Capital Expenditure Ratio

This ratio is used to measure the operating cash flow available for investment expenditures. It is calculated as the ratio of operating cash flow to cash paid for capital expenditures, such as the purchase of fixed assets, business acquisitions, and other investing activities.

Formula:

$$\text{Capital Expenditure Ratio} = \frac{\text{Operating Cash Flow}}{\text{Capital Expenditure}}$$

Total Debt Ratio

The operating cash flow to total debt ratio shows the company's ability to use operating cash flow to settle all of its obligations, both current and long-term liabilities.

Formula:

$$\text{Total Debt Ratio} = \frac{\text{Operating Cash Flow}}{\text{Total Debt}}$$

Operating Cash Flow to Net Income Ratio

The operating cash flow to net income ratio shows the extent to which adjustments and accrual accounting assumptions affect the calculation of net income.

Formula:

$$\text{Operating Cash Flow to Net Income Ratio} = \frac{\text{Operating Cash Flow}}{\text{Net Income}}$$

Based on the formula presented for cash flow ratios, a standard cash flow ratio can be established based on the predetermined guidelines. Below is Table 1 showing the standard cash flow ratios.

Table 1. Cash flow ratio standart

	Standart	Criteria
Operating Cash Flow	>1	Good
	<1	Not Good
Cash Coverage	<1	Good
	>1	Not Good
Capital Expenditure	>1	Good
	<1	Not Good
Total Debt	>1	Good
	<1	Not Good
Cash Flow to Net Income	>1	Good
	<1	Not Good

3. Result and Discussion

3.1. Research Results

The following is the data used in this study, presenting a summary of the data taken from the consolidated financial statements of PT Gajah Tunggal Tbk for the period 2018-2022, which includes; a summary of the income statement, statement of financial position, and cash flow statement.

Table 2. Summary of the consolidated financial statements of PT Gajah Tunggal Tbk for the period 2018-2022

Description	2018	2019	2020	2021	2022
Operating Cash Flow	479.736.000	1.258.371.000	2.598.595.000	228.001.000	604.827.000
Interest	(723.270.000)	(799.084.000)	(630.294.000)	(707.133.000)	(574.760.000)
Taxes	(162.840.000)	(231.577.000)	(62.044.000)	(228.334.000)	(215.386.000)
Capital Expenditures	10.462.131	9.196.846.000	8.771.929.000	8.618.424.000	8.751.263.000
Total Debt	13.835.648.000	12.620.444.000	10.926.513.000	11.254.520.000	11.790.337.000
Net Income	(74.557.000)	269.107.000	318.914.000	74.027.000	(190.572.000)
Current Liabilities	5.797.360.000	5.420.942.000	4.749.681.000	4.720.225.000	5.344.228.000

Table 3. Summary of the cash flow statement PT. Gajah Tunggal, Tbk for the period 2018-2022

Description	2018	2019	2020	2021	2022
Operating Activities	479.736.000	1.258.371.000	2.598.595.000	228.001.000	604.827.000
Investing Activities	(535.638.000)	(636.532.000)	(394.608.000)	(261.261.000)	(687.154.000)
Financing Activities	(6.135.000)	(647.188.000)	(1.779.015)	(143.982.000)	(88.531.000)
Net Increase (Decrease) in Cash and Cash Equivalents	(62.037.000)	(25.349.000)	424.972.000	(177.242.000)	(6.204.000)
Cash and Cash Equivalents at the beginning of the year	696.485.000	671.415.000	635.182.000	650.096.000	491.356.000
Cash and Cash Equivalents at the end of the year	671.415.000	635.182.000	1.045.237	491.356.000	499.434.000

3.2. Discussions

Based on the data presented in table 3 and table 4, the next step is to calculate the ratios to analyze the cash flow statement, which consist of: 1) operating cash flow to current liabilities ratio, 2) operating cash flow to interest ratio, 3) capital expenditure ratio, 4) total debt ratio, and 5) operating cash flow to net income ratio.

Calculation of Operating Cash Flow Ratio

Table 4. Operating cash flow ratio of PT Gajah Tunggal Tbk for the period 2018-2022 (Presented in Indonesian Rupiah)

Year	Total Operating Cash Flow	Current Liabilities	Ratio
2018	479.736.000	5.797.360.000	0,08
2019	1.258.371.000	5.420.942.000	0,23
2020	2.598.595.000	4.749.681.000	0,54
2021	228.001.000	4.720.225.000	0,48
2022	604.827.000	5.344.228.000	0,11

Based on table 4, it can be seen that the operating cash flow ratio of PT Gajah Tunggal Tbk for 2018 was 0.08 or 8%. In 2019, the ratio increased to 0.23 or 23%, due to the following factors: an increase in cash receipts from customers by IDR 337,873,000, an increase in cash payments to suppliers and employees by IDR 432,671,000, an increase in interest and financial expense payments by IDR 75,814,000, an increase in tax refund receipts by IDR 152,642,000, and an increase in income tax payments by IDR 68,737,000. In 2020, the ratio rose further to 0.54 or 54%, driven by a decrease in cash receipts from customers by IDR 1,633,372,000, a decrease in cash payments to suppliers and employees by IDR 2,695,337,000, a decrease in interest and financial expense payments by IDR 168,790,000, a decrease in tax refund receipts by IDR 60,064,000, and a decrease in income tax payments by IDR 169,533,000. From 2021 to 2022, the ratio experienced a significant decline to 0.48 or 48% and 0.11 or 11%, respectively, due to fluctuations in cash

receipts from customers, cash payments to suppliers and employees, interest and financial expense payments, tax refund receipts, and income tax payments.

Calculation of the Cash Coverage Ratio for Interest

Table 5. Calculation of the cash coverage ratio for interest PT. Gajah Tunggal Tbk for the period 2018-2022 (Presented in Indonesian Rupiah)

Year	Total Operating Cash Flow	Interest	Taxes	Ratio
2018	479.736.000	(723.270.000)	(162.840.000)	0,56
2019	1.258.371.000	(799.084.000)	(231.577.000)	-0,57
2020	2.598.595.000	(630.294.000)	(62.044.000)	-3,02
2021	228.001.000	(707.133.000)	(228.334.000)	1
2022	604.827.000	(574.760.000)	(215.386.000)	1

Based on Table 5 above, it can be seen that the cash flow from operations to interest ratio for PT. Gajah Tunggal Tbk decreased from 0.56 or 56% in 2018 to -0.57 or -57% in 2019, due to an increase in taxes from IDR 162,840,000 to IDR 231,577,000, and a rise in interest expenses from IDR 723,270,000 to IDR 231,577,000. In 2020, the ratio further declined to -3.02 or -302%, caused by an increase in cash flows from IDR 1,258,371,000 to IDR 2,598,595,000, and a decrease in tax payments from IDR 231,577,000 to IDR 62,044,000. In 2021, the company experienced an increase in the ratio to 1.00 or 100%, driven by a rise in interest and tax payments. In 2022, the ratio also increased by 1.00 or 100%, attributed to a decrease in interest and tax payments.

Calculation of the Operating Cash Flow to Capital Expenditure Ratio

Table 6. Operating cash flow to capital expenditure ratio for PT. Gajah Tunggal Tbk for the period 2018-2022 (Presented in Indonesian Rupiah)

Year	Total Operating Cash Flow	Capital Expenditure	Ratio
2018	479.736.000	10.462.131.000	0,05
2019	1.258.371.000	9.196.846.000	0,14
2020	2.598.595.000	8.771.929.000	0,30
2021	228.001.000	8.618.424.000	0,03
2022	604.827.000	8.751.263.000	0,07

Based on table 6, it can be seen that the capital expenditure ratio of PT. Gajah Tunggal Tbk increased from 2018 to 2019, rising from 0.05 or 5% to 0.14 or 14%, due to a decrease in capital expenditures on fixed assets. In 2020, the company experienced an increase of 0.30 or 30%, driven by a rise in operating cash flow of IDR 1,340,224,000. In 2021, the company experienced a decrease of 0.03 or 3% due to an increase in operating cash flow of IDR 2,304,179,000. In 2022, the company saw a ratio increase of 0.07 or 7%, caused by an increase in operating cash flow of IDR 228,001,000 and a rise in capital expenditures on fixed assets of IDR 132,839,000. Although the company experienced some increases, the operating cash flow to capital expenditure ratio remained below 1, indicating that the company was unable to fully cover its capital expenditures using operating cash flow.

Calculation of Operating Cash Flow to Total Debt Ratio

Table 7. Operating cash flow to total debt ratio of PT. Gajah Tunggal Tbk for the period 2018-2022 (Presented in Indonesian Rupiah)

Year	Total Operating Cash Flow	Total Debt	Ratio
2018	479.736.000	13.835.648.000	0,03
2019	1.258.371.000	12.620.444.000	0,10
2020	2.598.595.000	10.926.513.000	0,24
2021	228.001.000	11.254.520.000	0,02
2022	604.827.000	11.790.337.000	0,05

Based on table 7, it can be seen that the total debt ratio of PT. Gajah Tunggal Tbk in 2018 was 0.03 or 3%. This was due to an increase in short-term liabilities by IDR 1,399,403,000 and a decrease in long-term liabilities by IDR 65,465,000. In 2019, the ratio increased to 0.10 or 10% due to a decrease in short-term liabilities by IDR 376,418,000 and an increase in long-term liabilities by IDR 838,786,000.

In 2020, the ratio rose to 0.24 or 24%, driven by a reduction in total debt from long-term liabilities. In 2021, the company experienced a decline in the ratio to 0.02 or 2%, attributed to a decrease in short-term liabilities by IDR 29,456,000. In 2022, the company saw an increase in the ratio to 0.05 or 5% due to a reduction in total debt from long-term liabilities by IDR 88,186,000.

Calculation of the Operating Cash Flow to Net Income Ratio

Table 8. Operating cash flow to net income ratio of PT. Gajah Tunggal Tbk for the period 2018-2022 (Presented in Indonesian Rupiah)

Year	Total Operating Cash Flow	Net Income	Ratio
2018	479.736.000	(74.557.000)	-6,43
2019	1.258.371.000	269.107.000	4,68
2020	2.598.595.000	318.914.000	8,15
2021	294.416.000	74.027.000	3,98
2022	721.191.000	(190.572.000)	-3,78

Based on table 8, it can be seen that most of the operating cash flow to net income ratios are below 1, which means that the company's ability to meet the needs of net income and operating cash flow is still not sufficient. The operating cash flow ratio in 2018 was -6.43 or -64%, due to an increase in net sales of Rp 1,203,021,000, an increase in cost of goods sold of IDR 1,213,304,000, an increase in selling expenses of IDR 30,613,000, an increase in general and administrative expenses of IDR 8,735,000, and small financial income compared to 2019, which made it impossible to meet net income obligations, impacting the ratio to fall below 1. In 2020 and 2021, the company saw an increase in the ratio to 8.15 or 82% and 3.98 or 40%, respectively, due to an increase in net income to IDR 2,504,829,000 and IDR 1,909,546,000, caused by an increase in net sales, a decrease in cost of goods sold, an increase in other income, an increase in financial income, and a decrease in financial expenses, although operating cash flow decreased. In 2022, the company experienced a decrease in the ratio to -3.78 or -38% due to a decrease in net income caused by a decline in net sales, a decrease in cost of goods sold, and a reduction in operating expenses.

Summary of Research Results

Based on the results and discussions that have been carried out, the summary of the research results can be presented in Table 9 as follows:

Table 9. Summary of research results

Ratio Cash Flow	2018	2019	2020	2021	2022	Average	Standar Ratio	Description
Operating Cash Flow	0,08	0,23	0,54	0,48	0,11	0,28	<1	Not Good
Cash Coverage	0,56	-0,57	-3,00	1,00	1,00	-0,20	<1	Not Good
Capital Expenditure	0,05	0,14	0,30	0,03	0,07	0,11	<1	Not Good
Total Debt	0,03	0,10	0,24	0,02	0,05	0,09	<1	Not Good
Cash Flow to Net Income	-6,43	4,68	8,15	3,98	-3,78	1,32	>1	Good

From 2018 to 2022, PT Gajah Tunggal Tbk recorded an operating cash flow ratio still below 1, indicating that the company was not yet able to meet its current liabilities without relying on cash flow from its normal activities. From 2018 to 2020, the operating cash ratio increased due to the rise in operating cash flow, whereas in 2021-2022, the operating cash ratio declined due to a decrease in operating cash flow. The findings of this study yield the same conclusion as that conducted by (Iswandi et al., 2024), which states that the results fluctuate each year.

The Cash Coverage Ratio of PT. Gajah Tunggal Tbk from 2018-2022 was less than 1, indicating that the company's operating cash flow ability to pay interest and taxes was not in good condition. However, the company could cover or pay interest directly without having to sell assets or wait for receivable collections because the available cash was sufficient to make the payments. This research yielded the same analysis as conducted by (Ramadhini & Ardhi, 2021) with a case study on the Coal Mining Sub-Sector on the Indonesia Stock Exchange.

The Capital Expenditure Ratio from 2018 to 2022 was less than 1, indicating that the company's operating cash flow capacity for capital expenditures was in a less favorable condition, meaning the company was not yet able to measure the available operating cash flow for investment expenditures. This result aligns with the research conducted by (Widyaningsih & Idayati, 2015) which was conducted on PT Kembang Bulan, stating that the company had not yet presented a cash flow statement or performed a cash flow statement analysis, resulting in poor financial performance.

The research findings for PT. Gajah Tunggal Tbk show that the Total Debt ratio for the period 2018–2022 is less than 1, indicating that the company's operating cash flow ability to pay its total debt is low or in a less favorable condition. A low ratio reflects the company's limited capacity to use its operating cash flow to cover its total debt. The average Cash Flow to Net Income ratio for PT. Gajah Tunggal Tbk during 2018–2022 is above 1, which indicates that the company is in a good position in terms of its cash flow ability to meet net income requirements. These results align with those found in the research conducted by (Handayani et al., 2024), the potential financial risks, including issues in meeting debt obligations, may require management actions to improve the company's financial position, such as reducing debt, increasing operational cash flow, or seeking additional financing.

4. Conclusion

Based on the results of the discussion and analysis conducted, it can be concluded that the Cash Flow Statement analysis using the cash flow ratios of PT Gajah Tunggal Tbk for the 2018-2022 period shows the following ratio values; 1) Operating Cash Flow is still below 1, indicating that the company is not yet able to meet its current liabilities; 2) Cash Coverage for Interest is below 1, meaning the company's operating cash flow is insufficient to pay interest and taxes effectively; 3) Capital Expenditures ratio is below 1, showing that the company's operating cash flow for capital expenditures is inadequate, implying the company has not been able to assess the available operating cash flow for investment spending; 4) Total Debt ratio is below 1, indicating the company's operating cash flow ability to cover total debt is low, or in other words, not in a good condition; and 5) Net Income ratio, with cash flow to net income, is above 1, suggesting the company is in a good condition regarding its ability to generate sufficient operating cash flow to meet net income requirements. The implications for the company include increasing and providing cash from operating activities, making investments, and paying dividends to meet its obligations in the future. This will enable the company to meet both short-term and long-term obligations by striving to increase operating cash flow and reducing debt. Recommendations to improve operational cash flow and reduce debt for PT Gajah Tunggal include: conducting thorough budget planning, managing debt as effectively as possible, reducing excessive expenditures, and increasing the sales volume of products. Suggestions for future researchers include adding and complementing other financial ratios such as investment ratios, profitability ratios, and extending the study period to cover a longer time frame, making the research more comprehensive. The limitation of this study is the selection of two years before and after COVID-19, as it aims to observe the company's management efforts in dealing with challenging situations.

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