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# THE EFFECT OF BUSINESS REVENUE AND TOTAL ASSETS ON OPERATING CASH FLOW AT PT GARUDA INDONESIA

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**Abstract**

This study aims to analyze the effect of business revenue and total assets on operating cash flow at PT Garuda Indonesia (Persero) Tbk from 2015 to 2024. The research method employed is a descriptive quantitative approach, utilizing a documentary study method and secondary data from the company's annual financial reports, which were obtained through the official website of PT Garuda Indonesia and the Indonesia Stock Exchange. Data analysis was performed using multiple linear regression with SPSS version 25 software, accompanied by classical assumption tests to ensure the validity of the model. The results show that business revenue and total assets have a positive relationship with operating cash flow; however, neither has a significant effect, either partially or simultaneously. The coefficient of determination ($R^2$) value of 0.143 indicates that only 14.3% of the variation in operating cash flow can be explained by these two variables, while the rest is influenced by other factors such as operating costs, long-term debt, and cash management efficiency. These findings indicate that an increase in revenue and assets is not sufficient to strengthen a company's operating cash position. Therefore, efforts to improve efficiency in asset management and cash control strategies are needed so that the revenue obtained can contribute optimally to the stability of the company's operating cash flow.

**Keywords**: Business Revenue, Total Assets, Operating Cash Flow, PT Garuda Indonesia

## INTRODUCTION

The Indonesian aviation industry has faced complex dynamics over the past decade, ranging from fuel price fluctuations and liquidity pressures to the significant impact of the COVID-19 pandemic, which has reduced passenger mobility. PT Garuda Indonesia (Persero) Tbk, as the national airline, has also felt these pressures, particularly in terms of its finances and operating cash flow. Based on financial reports, Garuda's cash flow from operating activities in 2024 is recorded to have increased to USD 585.74 million, after experiencing significant fluctuations in previous years. This condition shows the importance of examining factors that can affect operating cash flow, considering that this item reflects the company's ability to finance operational activities without relying on external sources of financing.

Business revenue and total assets are two key components that can potentially affect operating cash flow. Business revenue describes the results of the company's core activities that are directly related to cash receipts, while total assets indicate the scale of resources owned by the company to carry out its operations. However, the size of assets is not always a positive indicator of liquidity, as inefficient asset

management can result in high expenses such as depreciation, maintenance costs, and debt obligations, which actually put pressure on operating cash flow. Therefore, this study aims to analyze the extent to which business revenue and total assets affect the operating cash flow of PT Garuda Indonesia Tbk from 2015 to 2024.

This study is expected to contribute both theoretically and practically. From an academic perspective, the results can enrich the literature on the relationship between revenue, assets, and cash flow in the context of the Indonesian aviation industry. Meanwhile, in practical terms, this study can be a reference for Garuda's management and related parties in evaluating the effectiveness of asset management and revenue enhancement strategies to strengthen the company's liquidity position. Thus, this study is expected to provide an empirical picture of how the company's revenue and asset structure play a role in creating healthy and sustainable operating cash flow.

## THEORETICAL FRAMEWORK

### Operating Cash Flow

The cash flow statement classifies transactions based on the type of activity, such as operating, investing, and financing. It can be concluded that the cash flow statement is a financial document that provides details about the inflow and outflow of a company's funds within a certain period. (Fauziah et al., 2023). Operating cash flow is a key indicator that describes the company's ability to generate cash from its main operational activities. According to (Ridha, 2019) Operating cash flow reflects the source of funds originating from the company's core activities, such as the sale of products or services, the purchase of raw materials, the payment of wages, and other operational expenditures within a specific period. Operating cash flow shows the extent to which the company's operations generate sufficient cash to sustain operations, pay obligations, and make new investments without relying on external funding. The greater the cash flows from operating activities, the better the company's ability to maintain liquidity and business sustainability. In addition, (Harahap, 2015) States that operating cash flow can be used to assess earnings quality because accounting profit can be influenced by accrual policies, whereas cash flow more accurately reflects the company's actual condition. Therefore, operating cash flow is considered a more reliable measure in assessing short-term performance and financial health.

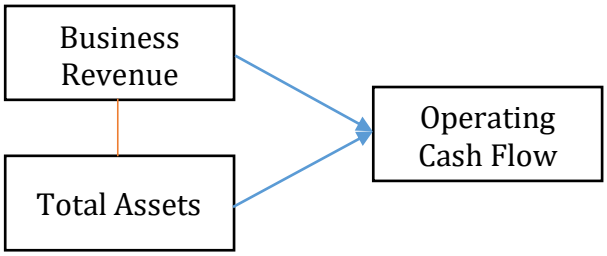
### Revenue

Business revenue is the result of a company's main activities, such as the sale of goods or services (Artini et al , 2024). According to (IAI, 2018), income Revenue is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Thus, an increase in business revenue reflects an increase in the company's economic activity.(Brigham & Houston, 2019) argue that high revenue directly increases cash inflows from customers, thereby potentially increasing operating cash flow. Business revenue has a positive and significant effect on operating cash flow in Indonesian transportation companies. This

is because the greater the sales volume or revenue generated, the more cash the company receives from its main activities.

**Total Assets**

Total assets are all economic resources owned by a company, both tangible and intangible, which are used to support operational activities and generate future income. (Balqis, 2022) High total assets indicate the company's effectiveness in utilizing all its assets to generate revenue. Total assets provide an indication of a company's size based on its financial statements. Large total assets are consistent with the company's wealth and good performance (Fauziah *et al*., 2023). According to (Van Horne & Wachowicz, 2018), total assets indicate the amount of investment made by a company in the form of current assets and fixed assets, which directly illustrates the company's capacity to carry out its business activities. Total assets have a positive influence because assets that are managed efficiently can increase productivity and cash inflows from operational activities. Thus, the direction of the influence of total assets on operating cash flow, if used optimally, is that total assets will have a positive impact on operating cash flow.




**Method**

This study uses a descriptive quantitative approach with a documentary study method. This approach was chosen because the study focuses on analyzing the numerical relationship between business revenue and total assets variables to operating cash flow. The data used is secondary data taken from the annual reports of PT Garuda Indonesia (Persero) Tbk for the period 2015–2024, obtained through the company's official website and the Indonesia Stock Exchange.

The variables used in this study consist of one dependent variable, namely operating cash flow (Y), and two independent variables, namely business revenue (X1) and total assets (X2). Operating cash flow is measured based on the net cash flow value from operating activities listed in the annual cash flow statement. Business revenue is obtained from the company's total operating income, while total assets are taken from the total current and non-current assets in the financial position report. All variables are measured in USD so that the analysis results are consistent and can be compared between years.

The data analysis method used is multiple linear regression analysis with the following equation model:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Y is the operating cash flow, a is a constant, b1 and b2 are the regression coefficients of each independent variable, and e is the error term. The analysis was performed using SPSS 25 software to test classical assumptions such as normality, multicollinearity, heteroscedasticity, and autocorrelation to ensure that the regression model was suitable for use.

Next, a T-test was conducted to examine the partial effect of business revenue and total assets on operating cash flow, an F-test was conducted to examine the simultaneous effect of both variables, and the coefficient of determination ($R^2$) was calculated to determine the extent to which the independent variables could explain the variation in operating cash flow. The results from SPSS 25 were then interpreted to determine whether the research hypothesis was accepted or rejected, according to the significance value ($\alpha = 0.05$) and the direction of the resulting regression coefficient.

**Table 1**
**Business Revenue, Total Assets, and Operating Cash Flow Data of PT Garuda Indonesia for 2015–2024**

| Year | Business Revenue | total assets | Operating Cash Flow |
|---|---|---|---|
| 2015 | 3.814.989.745 | 3.310.010.986 | 179.399.348 |
| 2016 | 3.863.921.565 | 3.737.569.390 | 107.532.264 |
| 2017 | 4.177.325.781 | 3.763.292.093 | -61.665.293 |
| 2018 | 4.330.441.061 | 4.155.474.803 | 28.342.981 |
| 2019 | 4.572.638.083 | 4.455.675.774 | 513.101.286 |
| 2020 | 1.492.331.099 | 10.789.980.407 | 110.374.162 |
| 2021 | 1.336.678.470 | 7.192.745.360 | 82.404.022 |
| 2022 | 2.100.079.558 | 6.235.010.979 | 261.351.335 |
| 2023 | 2.936.631.094 | 6.727.645.053 | 218.853.422 |
| 2024 | 3.416.526.383 | 6.618.614.941 | 585.742.098 |

Source: Annual Financial Report of PT Garuda Indonesia (2015–2024), processed by researchers

## RESULT

### Descriptive Statistical Test

Conducted to see the general description of data from each variable. The results of the descriptive statistical test can be seen in the research.

**Table 2**
**Descriptive Statistical Test Result**

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| pendapatan usaha | 10 | 1336678470 | 4572638083 | 3204156284 | 1185570725 |
| total aset | 10 | 3310010986 | 10789980407 | 5698601979 | 2299039268 |
| arus kas operasi | 10 | -61665293 | 585742098 | 202543562.5 | 205387236.9 |
| Valid N (listwise) | 10 | | | | |

Source: Output SPSS 25

Based on the results of descriptive statistical tests, it is known that the research data consists of 10 years of observation (2015–2024). The business revenue variable has an average value of USD 3,204,156,284. While the average total assets are USD 5,698,601,970. For Operating Cash Flow, the average value is USD 202,543,562.50.

The minimum and maximum values for each variable indicate significant fluctuations from year to year. The operating cash flow, which was negative at times, shows that in some periods, the company experienced a cash deficit from its operational activities. In general, these results illustrate the fluctuating and unstable financial condition of PT Garuda Indonesia during the research period.

**Normality Test**

**Tabel 3**
**Normality Test Result**
**One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|---|---|---|
| N | | 10 |
| Normal Parameters[a,b] | Mean | .0000000 |
| | Std. Deviation | 190107985.9 |
| Most Extreme Differences | Absolute | .135 |
| | Positive | .135 |
| | Negative | -.090 |
| Test Statistic | | .135 |
| Asymp. Sig. (2-tailed) | | .200[c,d] |

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Output SPSS 25

It is considered normal if the significance level is > 0.05. If the significance level is < 0.05, then it is not normal. Based on Table 3, we know that the significance level of 0.200 > 0.05, which means that the variable data above is normally distributed.

**Multicollinearity test**

**Table 4**
**Multicollinearity Test Result**

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | -478896775 | 634133331.6 | | -.755 | .475 | | |
| | pendapatan usaha | .113 | .107 | .651 | 1.050 | .329 | .318 | 3.141 |
| | total aset | .056 | .055 | .629 | 1.014 | .344 | .318 | 3.141 |

a. Dependent Variable: arus kas operasi

Source: Output SPSS 25

If the VIF is below <10 and the Tolerance Value is above > 0.1, then there is no multicollinearity. Based on Table 4, it is known that the VIF values for the Business Revenue Variable (X1) and Total Assets Variable (X2) are 3.141 < 10 and the Tolerance Value is 0.318 > 0.1, so there is no multicollinearity in the above data.

**Heteroscedasticity Test**

**Tabel 5**
**Heteroscedasticity Test Result**

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | -455768223 | 277915749.0 | | -1.640 | .145 | | |
| | pendapatan usaha | .107 | .047 | 1.157 | 2.281 | .057 | .318 | 3.141 |
| | total aset | .045 | .024 | .949 | 1.871 | .103 | .318 | 3.141 |

a. Dependent Variable: Abs_Res

Source: Output SPSS 25

To interpret the results of the heteroscedasticity test using the Glejser test, Table 5 shows that the significance value for the business revenue variable (X1) is 0.057. Meanwhile, the significance value for the Total Assets variable (X2) is 0.103. Since the significance values of both variables are > 0.05, it can be concluded that there is no heteroscedasticity.

**Autocorrelation Test**

**Table 6**
**Autocorrelation Test Result**

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | .378[a] | .143 | -.102 | 215562194.1 | .143 | .585 | 2 | 7 | .582 | 1.861 |

a. Predictors: (Constant), total aset, pendapatan usaha

b. Dependent Variable: arus kas operasi

Source: Output SPSS 25

Based on the results in the table above, a Durbin-Watson value of 1.861 was obtained. With n=10 and 2 independent variables (k=2).

Based on the Durbin Watson table value, it is known that the value of dU = 1.6413 and dL = 0.7580. 4–dU = 2.3587 and 4-dL = 3.242.

It can be concluded that dU < DW < 4-dU = 1.6413 < 1.861 < 2.3587, so there is no autocorrelation.

**Multiple Linear Regression Test**

**Table 7**
**Multiple Linear Regression Test Result**

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | -478896775 | 634133331.6 | | -.755 | .475 | | |
| | pendapatan usaha | .113 | .107 | .651 | 1.050 | .329 | .318 | 3.141 |
| | total aset | .056 | .055 | .629 | 1.014 | .344 | .318 | 3.141 |

a. Dependent Variable: arus kas operasi

Source: Output SPSS 25

$$Y = a + b_1X_1 + b_2X_2 + e$$

$$Y = -478896774.887 + 0{,}113X1 + 0{,}056X2 + e$$

The constant value indicates that if the values of the Business Revenue (X1) and Total Assets (X2) variables are equal to 0, then the fixed value is -478896774.887, which means that without income and assets, the Company will experience an operating cash flow deficit of that amount.

The regression coefficient B(X1) = 0.113 is positive, meaning that if variable X1 increases by one unit, business revenue will increase operating cash flow by 0.113 units.

The regression coefficient B(X2) = 0.056 is positive, meaning that if variable X2 increases by one unit, total assets will increase operating cash flow by 0.056 units.

**T-Test**

**Table 8**
**T-Test Result**

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | -478896775 | 634133331.6 | | -.755 | .475 | | |
| | pendapatan usaha | .113 | .107 | .651 | 1.050 | .329 | .318 | 3.141 |
| | total aset | .056 | .055 | .629 | 1.014 | .344 | .318 | 3.141 |

a. Dependent Variable: arus kas operasi

Source: Output SPSS 2025

The business revenue variable (X1) has a t-value = 1.050 < t-table = 2.365 and sig = 0.329 > 0.05, so business revenue does not have a significant effect on operating cash flow.The Total Assets variable (X2) has a t-value of 1.014 < t-table = 2.365 and sig = 0.344 > 0.05; therefore, total assets do not have a significant effect on operating cash flow.

**F-Test**

**Table 9**
**F-Test Result**

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 5.439E+16 | 2 | 2.719E+16 | .585 | .582[b] |
| | Residual | 3.253E+17 | 7 | 4.647E+16 | | |
| | Total | 3.797E+17 | 9 | | | |

a. Dependent Variable: arus kas operasi

b. Predictors: (Constant), total aset, pendapatan usaha

Source: Output SPSS 25

He variables of business revenue (X1) and total assets (X2) simultaneously (together) do not have a significant effect on operating cash flow (Y). Because F-count = 0.585 < F-table = 4.74 and sig = 0.582 > 0.05, the result is not significant.

**Coefficient of Determination Test**

**Tabel 10**
**Coefficient of Determination Test Result**

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .378[a] | .143 | -.102 | 215562194.1 | 1.861 |

a. Predictors: (Constant), total aset, pendapatan usaha

b. Dependent Variable: arus kas operasi

Source: Output SPSS 25

The R Square value = 0.143 means that 14.3% of the variation in operating cash flow (Y) can be explained by the variables of business revenue (X1) and total assets (X2) together.

**Discussion**

Based on the results of multiple linear regression analysis, the regression coefficient values obtained were 0.113 for the business revenue variable and 0.056 for total assets. Both variables show a positive relationship with operating cash flow, but

the partial test results indicate that neither has a statistically significant effect (business revenue: t = 1.050; sig = 0.329, total assets: t = 1.014; sig = 0.344). Simultaneously, the F test results show an F value of 0.585 with a significance of 0.582, which means that business revenue and total assets together do not have a significant effect on operating cash flow. The coefficient of determination ($R^2$) value of 0.143 indicates that the two independent variables can only explain 14.3% of the variation in operating cash flow, while the rest is influenced by other factors not included in the model.

These results indicate that an increase in business revenue and total assets does not directly have a significant impact on an increase in operating cash flow at PT Garuda Indonesia during the 2015–2024 period. This may be due to external factors such as fluctuations in jet fuel prices, the COVID-19 pandemic, and high operating costs that affect the stability of the company's cash flow. In addition, differences in the timing of revenue recognition and cash receipt (accrual basis) can cause accounting revenue to not always be directly proportional to cash received.

According to (Harahap, 2015) Operating cash flow is an important indicator for assessing profit quality because accounting profit is often influenced by accrual policies. Thus, companies with high profits do not necessarily have high operating cash flow. (Brigham & Houston, 2019) Add that an increase in revenue should increase cash inflows, but its effectiveness is highly dependent on the management of accounts receivable, inventory, and working capital. Meanwhile, according to (Van Horne & Wachowicz, 2018) Large total assets do indicate operational strength, but if they are not used efficiently, they can actually put pressure on cash through high depreciation and maintenance costs.

Furthermore, the results of the classical assumption test show that the regression model used meets the assumptions of normality, with no multicollinearity, heteroscedasticity, or serious autocorrelation. This indicates that the model used is suitable for further analysis, even though the influence between variables is not significant.

Thus, the results of this study emphasize the importance of efficient asset management and operational cost control so that the income obtained can truly increase operating cash flow. In addition, companies need to pay attention to external factors such as macroeconomic stability, government policies, and fuel price volatility that affect operational activities.

## Conclusion

Based on the results of the analysis, it is known that business revenue and total assets have no significant effect on operating cash flow at PT Garuda Indonesia during the 2015–2024 period. Although the regression results show a positive relationship, the effect of these two variables is not statistically significant. This indicates that changes in revenue and total assets have not been able to make a real contribution to increasing the company's operating cash flow. The coefficient of determination ($R^2$) value of 0.143 shows that only 14.3% of the variation in operating cash flow can be explained by business revenue and total assets, while the remaining 85.7% is

influenced by other factors such as high operating costs, long-term debt, currency exchange rate fluctuations, and the effectiveness of working capital management. These findings indicate that PT Garuda Indonesia needs to improve efficiency in asset utilization and optimize its cash management strategy so that revenue growth can be truly converted into stable, healthy, and sustainable cash flow.

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