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COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE IN THE AUTOMOTIVE SECTOR: A CASE STUDY OF PT ASTRA INTERNATIONAL TBK AND PT GOOD YEAR INDONESIA TBK FOR THE PERIOD 2019–2024

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Abstract

This study conducts a comparative analysis of the financial performance of PT Astra International Tbk and PT Goodyear Indonesia Tbk in the automotive sector during 2019–2024. The objective is to evaluate differences in liquidity, profitability, solvency, and market ratios to understand how company structure and strategy influence financial resilience amid post-pandemic recovery and industrial transformation toward electric vehicles (EVs). The research adopts a quantitative comparative approach using secondary data from audited financial statements, analyzed through key financial ratios such as the Current Ratio, Net Profit Margin, Debt to Asset Ratio, and Price to Earnings Ratio.

The results show that PT Astra International Tbk consistently maintains stable liquidity and profitability, supported by effective asset management, cost efficiency, and diversified operations across automotive distribution, heavy equipment, and financial services. Astra's moderate debt ratio also reflects strong solvency and prudent capital management, enabling greater stability under market volatility. Conversely, PT Goodyear Indonesia Tbk demonstrates fluctuating liquidity and solvency, largely due to its high dependence on debt financing and sensitivity to raw material price changes. Its limited business diversification and inconsistent profitability indicate a weaker financial structure compared to Astra.

Overall, the findings highlight that diversification, cost efficiency, and sound capital structure are critical to sustaining financial performance in Indonesia's automotive industry. Astra's stable ratios confirm the advantages of a diversified model, while Goodyear's results emphasize the need for stronger financial management and innovation. The study contributes practical insights for managers and investors regarding financial strategy, as well as theoretical evidence supporting the role of diversification and leverage optimization in long-term corporate stability.

Keywords:
Financial Performance; Ratio Analysis; PT Astra International Tbk And PT Good Year Indonesia Tbk Automotive Sector; 2019–2024

Introduction

The automotive sector plays a vital role in Indonesia's economy as one of the largest contributors to employment, manufacturing value added, and national exports. However, since the onset of the COVID-19 pandemic and the subsequent global supply chain disruptions, the automotive industry has faced significant volatility. Sales declines, production delays, and a growing shift toward electric vehicles (EVs) have reshaped the competitive landscape of Indonesia's automotive market. The 2024 slowdown in conventional vehicle sales, combined with an increasing interest in EV development, provides an important context for evaluating the financial performance of automotive firms operating in Indonesia.

Among Indonesia's leading companies, PT Astra International Tbk (ASII) stands out as a diversified conglomerate with extensive operations across the automotive value chain — including vehicle distribution, after-sales services, heavy equipment, and financial services. Astra's financial performance, reflected in its annual reports and profitability ratios, is often seen as a key indicator of the overall health of Indonesia's automotive industry. Its ability to maintain liquidity and profitability amidst market uncertainty highlights the stabilizing effect of business diversification and strong capital management.

In contrast, PT Goodyear Indonesia Tbk (GDYR) represents the tire manufacturing segment — a sector directly sensitive to fluctuations in vehicle sales, raw material costs (such as natural and synthetic rubber), and global commodity price movements. As a company focused primarily on tire production, its financial outcomes tend to reflect market changes more rapidly than a diversified firm. Variations in sales volume, input costs, and operational efficiency are thus clearly observable through its profitability and cash flow ratios during 2019–2024.

A comparative analysis between Astra and Goodyear Indonesia over the 2020–2024 period holds both academic and practical significance. Academically, it enables researchers to explore how differences in business diversification, capital structure, and market exposure influence financial resilience during periods of economic disruption. Practically, the findings can offer insights to managers, investors, and policymakers on key determinants of stability and profitability in Indonesia's automotive sector — including raw material cost management, working capital efficiency, and product diversification strategies. The study will use quantitative data such as income statements, balance sheets, cash flow reports, and key financial ratios (ROA, ROE, DER, current ratio, and net profit margin) drawn from official company reports and industry statistics.

Based on this context, the research aims to fill the knowledge gap regarding how a multi-segment automotive conglomerate (Astra) and a specialized tire producer (Goodyear Indonesia) respond differently to market shocks over the 2019–2024 period. This comparative financial analysis is expected to provide a deeper understanding of both internal factors (cost structure, leverage, and operational efficiency) and external factors (domestic demand, technological transition to EVs, and supply chain dynamics) that shape the financial resilience of automotive companies in Indonesia.

Theoretical Framework

Definition of Financial Performance

Financial performance refers to how efficiently a company utilizes its resources to achieve profitability, liquidity, and long-term stability. According to Gitman and Zutter (2015), it reflects the company's ability to generate profits, maintain solvency, and sustain operations effectively. This study examines the financial performance of PT Astra International Tbk and PT Goodyear Indonesia Tbk for 2019–2024, emphasizing efficiency, stability, and profitability.

Financial Ratio Analysis

Financial ratio analysis is a key method for assessing a company's financial condition by interpreting data from financial statements (Brigham & Houston, 2019). This study employs four ratio categories:

Liquidity Ratios assess the firm's capacity to meet short-term obligations, mainly through the *Current Ratio* and *Quick Ratio*. High liquidity reflects stronger short-term stability.

Solvency Ratios evaluate long-term financial security using indicators such as *Debt to Equity* and *Debt Ratio*, showing the balance between debt and equity financing.

Profitability Ratios measure management efficiency in generating income, represented by *Return on Assets*, *Return on Equity*, and *Net Profit Margin*. Higher profitability signifies stronger performance.

Market Ratios reflect investor perception and market value through *Earnings per Share (EPS)* and *Price to Earnings (P/E)* ratios, influencing investment attractiveness.

Objectives of Financial Performance Analysis

As stated by Harahap (2018), financial performance analysis aims to:

Determine profitability and growth sustainability.

Assess liquidity and solvency to ensure operational and financial stability.

Provide decision-making insights for management and investors.

Identify strengths and weaknesses for future improvement.

Enable comparisons with competitors and industry benchmarks, as in this study of Astra and Goodyear.

These objectives serve both managerial evaluation and stakeholder interests.

Objectives of Financial Statements

According to the International Accounting Standards Board (IASB, 2021), financial statements aim to present reliable information about an entity's financial position, performance, and cash flows. Their key purposes are to:

Provide relevant data for investment and credit decisions.

Demonstrate management's accountability in resource use.

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Ensure transparency and comparability across time and firms.
Support planning, control, and performance evaluation.
In this research, the financial reports of PT Astra International Tbk and PT Goodyear Indonesia Tbk (2019–2024) are used to analyze liquidity, solvency, profitability, and market ratios, supporting both analytical and informational objectives.

Method

This research adopts a quantitative comparative design aimed at analyzing and comparing the financial performance of PT Astra International Tbk and PT Goodyear Indonesia Tbk during the period 2019–2024. The study focuses on numerical data derived from companies' audited financial statements and applies financial ratio analysis as the main analytical tool. Through a descriptive–comparative approach, the research examines how both companies perform across key financial indicators, identifying similarities, differences, and financial trends over time.

Results

Financial performance analysis is a key process in assessing a company's ability to manage its financial resources efficiently and to evaluate its overall stability. This study analyzes the financial statements of two major companies in the automotive sector — PT Astra International Tbk and PT Goodyear Indonesia Tbk — for the period 2020–2024, using four main groups of financial ratios: liquidity, profitability, solvency, and market ratios.

Rasio Likuiditas

Current Ratio

Rasio Likuiditas(Current Ratio)							
Perusahaan	2019	2020	2021	2022	2023	2024	Rata-Rata
PT Astra International Tbk	12910	20040	15442	15085	13292	13272	15,349
PT Good Year Indonesia Tbk	21.873	23.037	68.182	176.78	27.4386	43.722	94,667

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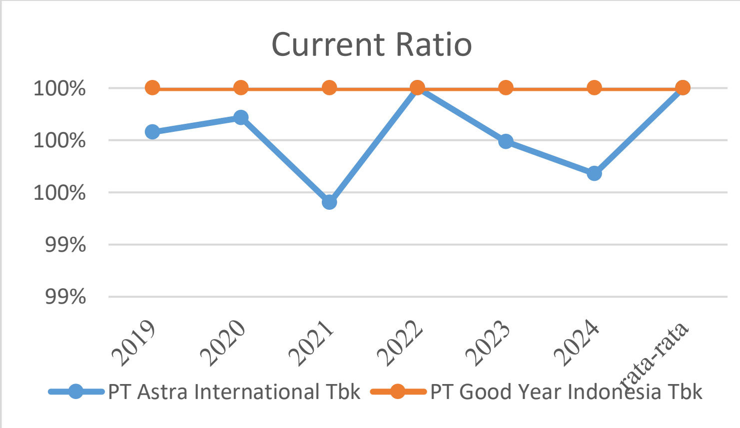

Figure 1. Current Ratio Chart for the Period 2019–2024

PT Astra International Tbk maintained stable liquidity from 2019–2024, with current ratios between 12.91 and 20.04 (average 15.35), indicating effective management of current assets and short-term obligations. In contrast, PT Goodyear Indonesia Tbk showed wide fluctuations (21.87–176.78; average 94.67), reflecting unstable and less efficient liquidity management. Overall, Astra demonstrated more consistent and efficient liquidity performance than Goodyear.

Rasio Profitabilitas
Net Profit Margin

Rasio Profitabilitas (Net Profit Margin)							
Perusahaan	2019	2020	2021	2022	2023	2024	Rata-Rata
PT Astra International Tbk	0.11	0.10	0.109	0.134	0.140	0.1312	0.62524
PT Good Year Indonesia Tbk	0.0085	0.06	0.016	0.018	0.0334	0.0355	0.1475

Figure 2. Net Profit Margin Chart for the Period 2019–2024

Based on the Net Profit Margin (NPM) table and graph for the 2019–2024 period, PT Astra International Tbk shows a stable NPM value and tends to increase with an average of 0.62524. This demonstrates Astra's ability to manage costs and generate profits efficiently. Meanwhile, PT Goodyear Indonesia Tbk has a fluctuating and lower NPM, with an average of only 0.1475. This condition illustrates that Goodyear's profitability is still less stable than Astra's. Overall, Astra has better profitability performance and is more efficient in generating net profit from its sales.

Rasio Solvabilitas
Debt To Asset Ratio

Rasio Solvabilitas (Debt to Asset Ratio)							
Perusahaan	2019	2020	2021	2022	2023	2024	Rata-Rata
PT Astra International Tbk	0.46	0.16	0.41	0.41	0.43	0.42	1.954
PT Good Year Indonesia Tbk	0.56	0.6	0.59	0.63	0.54	0.53	3.026

Figure 3. Debt To Asset Ratio Chart for the Period 2019–2024

Based on the Debt to Asset Ratio (DAR) table and graph for the 2019–2024 period, PT Astra International Tbk has an average of 1.954 with a relatively stable value. This indicates that Astra has a controlled proportion of debt to assets, so the company's financial risk is relatively low. Meanwhile, PT Goodyear Indonesia Tbk recorded an average DAR of 3.026 with a higher value each year. This condition indicates that Goodyear uses more funding from debt than its own assets. Overall, Astra shows a healthier and safer financial structure than Goodyear, which has a greater level of dependence on debt.

Rasio Pasar
Price Earning Ratio

Rasio Pasar (Price Earning Ratio)							
Perusahaan	2019	2020	2021	2022	2023	2024	rata-rata
PT Astra International Tbk	40.48	-40.48	40.48	40.48	40.48	40.48	129.536
PT Good Year Indonesia Tbk	14.04	23.63	69.06	53.26	29.35	26.95	194.73

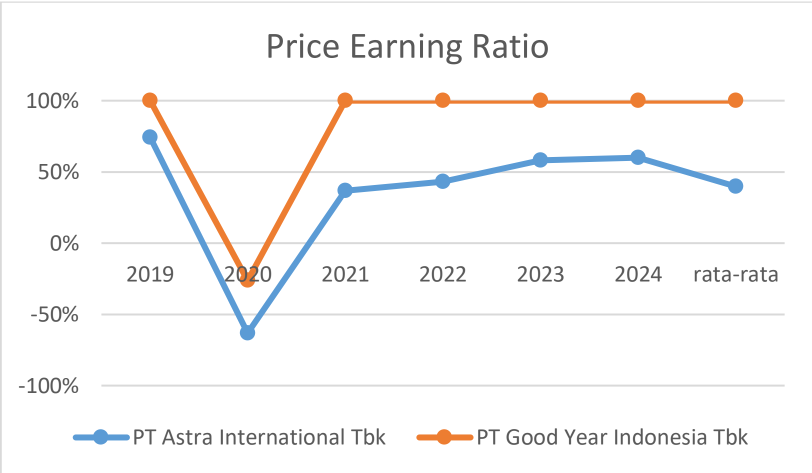

Figure 4. Price Earning Ratio Chart for the Period 2019–2024

Based on the Price Earning Ratio (PER) table, PT Astra International Tbk showed a stable PER value in the range of 40.48 from 2019–2024, indicating consistent financial performance. Meanwhile, PT Goodyear Indonesia Tbk has a fluctuating PER, rising from 14.04 in 2019 to 69.06 in 2021 and then dropping to 26.95 in 2024, reflecting unstable earnings. On average, Astra's PER is 129.536 and Goodyear's is 194.73, indicating that Goodyear's shares are considered more expensive but higher risk than Astra's.

Discussion

The comparative analysis between PT Astra International Tbk and PT Goodyear Indonesia Tbk during the 2019–2024 period reveals significant differences in financial performance across liquidity, profitability, solvency, and market indicators. Astra consistently demonstrated stable liquidity and profitability, indicating effective working capital management, efficient cost control, and strategic investment allocation. Its diversified business structure—spanning vehicle distribution, financing, and heavy equipment—enhanced financial resilience and mitigated sector-specific risks. This aligns with Gitman and Zutter (2015), who assert that diversification strengthens a firm's capacity to sustain profitability amid market volatility. Astra's strong financial position also suggests that its integrated operations and robust capital base provided flexibility in navigating economic challenges, including supply chain disruptions and post-pandemic market recovery.

Conversely, Goodyear's financial ratios reflected greater instability, particularly in liquidity and solvency. The company's heavy reliance on debt financing and its sensitivity to raw material price fluctuations contributed to inconsistent financial outcomes. In several years, its profitability ratios declined due to rising production costs and slower demand in the domestic tire market. This supports Brigham and Houston's (2019) theory that firms with narrower operational scopes and higher leverage face greater financial risk during uncertain economic periods. Although Goodyear achieved higher Price-to-Earnings Ratios in certain years, this was primarily driven by market speculation rather than sustained profitability, suggesting weaker investor confidence in long-term earnings growth. The limited diversification of Goodyear's operations also reduced its ability to offset losses in one segment with gains in another.

The findings emphasize that company structure, cost efficiency, and market diversification play crucial roles in maintaining financial stability. Astra's consistent ratio trends confirm that effective asset utilization, prudent debt management, and strategic diversification can sustain profitability even under challenging macroeconomic conditions. Meanwhile, Goodyear's results underline the need to strengthen operational efficiency, manage leverage prudently, and enhance innovation—particularly in response to global shifts toward electric vehicles and environmentally friendly manufacturing.

Overall, this study provides empirical evidence supporting financial management theories related to diversification, capital structure, and performance sustainability within Indonesia's automotive sector. It also highlights the importance of continuous innovation, digital transformation, and environmental adaptation as key strategies for maintaining competitiveness. Future research could expand this comparison to include other automotive and manufacturing firms, offering a broader perspective on industry-wide financial resilience and long-term growth potential.

Conclusion

This study concludes that PT Astra International Tbk demonstrates stronger and more stable financial performance compared to PT Goodyear Indonesia Tbk throughout 2020–2024. Astra's superior liquidity, profitability, and solvency ratios indicate effective financial control and business diversification, which collectively enhance resilience against external shocks. Meanwhile, Goodyear's fluctuating financial results suggest vulnerability to raw material price volatility and excessive dependence on debt financing.

These findings highlight the importance of financial diversification, capital structure optimization, and strategic risk management in achieving sustainable business performance. Academically, the research supports established theories of financial management and corporate stability, while practically, it provides guidance for managers and investors to strengthen financial decision-making.

Future research may expand the analysis by incorporating qualitative factors such as corporate governance, innovation capability, and the impact of environmental regulations to better understand long-term competitiveness in Indonesia's automotive industry.

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