

BUY (Initiation)

Target Price (IDR)	130
Potential Upside (%)	75.7

Price Comparison	
Cons. Target Price (IDR)	150
SSI vs. Cons. (%)	86.7

Stock Information	
Last Price (IDR)	74
Shares Issued (Mn)	407,092
Market Cap. (IDR Bn)	30,125
52-Weeks High/Low (IDR)	126/31
3M Avg. Daily Value (IDR Bn)	7.3
Free Float (%)	7.97

Shareholders Structure (%):	
PT Danantara Asset Management	92.03
PT Trans Airways	1.80
Public	6.17

Stock Performance				
(%)	YTD	1M	3M	12M
Absolute	(24.5)	(12.9)	(32.7)	85.0
JCI Return	(14.3)	(8.8)	(14.8)	12.3
Relative	(10.2)	(4.1)	(17.9)	72.7



Company Background
Established in 1947, Garuda Indonesia is the country's national flag carrier with 135 aircraft, providing full-service domestic and international flights. Helped by Danantara's IDR 23.67tn (c.USD 1.4bn) injection, the airline is currently undergoing a major restructuring to restore financial stability and enhance operational efficiency.

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Time to Take Off

Eight engines of recovery. Once one of Asia's premier airlines, GIAA, while still grappling with longstanding structural issues and operational inefficiencies, is currently focusing on eight strategic priority initiatives to bring back the airline to its former glory: [1](#)) repairing balance-sheet via Danantara's USD 405mn debt-to-equity swap and USD 1.0bn capital injection; [2](#)) achieving consistently positive earnings through fleet and cost rationalization supported by stricter cost control; [3](#)) prioritizing margins over market share through disciplined fleet and route planning; [4](#)) strengthening yield management using data-driven optimization of routes, frequencies, and pricing; [5](#)) reinforcing leadership integrity with refreshed management team; [6](#)) rebuilding morale and restoring organizational focus by implementing 'cultural reset'; [7](#)) using current negative condition as catalysts for innovation and long-term transformation; and [8](#)) forming strategic alliances to expand reach with limited capital risk.

Recovery in 2026F on higher flight frequencies, cost discipline & deleveraging. At the operating side, we expect GIAA to start experiencing earnings recovery in 2026-27F on the back of improving flight frequencies, cost discipline, and balance sheet repair. In 2026F, we see more solid air-trip demand, better flight routes, and higher ticket pricing, lifting revenues to USD 3.7bn (+13.7% YoY) in 2026F and USD 4.0bn (+10.8% YoY) in 2027F. Combined with cost discipline and deleveraging, we expect earnings to turn positive next year, at USD 3mn, before further increasing to USD 59mn, up 23-folds YoY. On the margin side, EBITDAR margin is expected to rise from 25.1% in 2025F (2024: 29.4%) to 30.6% in 2026F and 30.8% in 2027F, helped by less idle aircraft and lower maintenance costs.

Danantara: The financial enabler for balance sheet normalization. In our view, sustainable growth for GIAA ultimately hinges on two key factors: stronger balance sheet and consistent earnings growth. Balance sheet repair requires debt restructuring, fresh capital, and positive merger outcome with Pelita Air, while profitability depends on tighter cost control and lower interest burden. Danantara's USD 1.0bn capital injection and USD 405mn debt-to-equity conversion directly address these needs, as both should increase 2025F equity to USD 214mn and provide funding for critical maintenance and debt repayments. We expect this restructuring to be more effective, supported by new management and Danantara's tighter focus on capex discipline and profitability, with the bottom line expected to turn positive in 2027F at USD 4mn.

BUY with TP of IDR 130 (75.7% upside) on 2026F EV/EBITDAR of 9.0x. We initiate coverage on GIAA with BUY and TP of IDR 130, implying 75.7% potential upside. At this TP, GIAA is valued at 2026F EV/EBITDAR of 9.0x ([figure.35](#)), in line with industry average, supported by strong 27.2% EBITDAR margin (industry: 24.0%), and progress on the eight engines of recovery. Key risks: 1) lower passenger volumes, 2) increased fuel costs, and 3) higher-than-expected interest costs.

Key Data, Ratios & Valuations (at closing price IDR 74 per share)					
Y/E Dec	23A	24A	25F	26F	27F
Revenue (USDmn)	2,936.6	3,416.5	3,213.2	3,635.8	3,982.1
EBITDAR (USDmn)	935.8	1,005.1	806.3	989.1	1,178.8
Net Profit (USDmn)	250.0	(72.7)	(275.9)	(112.0)	3.5
EPS (IDR)	9	(3)	(11)	(5)	0
EV/EBITDAR (x)	8.9	8.3	8.9	7.6	6.4
P/BV (x)	n.m	n.m	8.5	18.0	17.4
Net Gearing (%)	n.m	n.m	2,488	5,577	5,464
Interest Coverage (x)	0.7	0.7	0.2	0.6	0.9

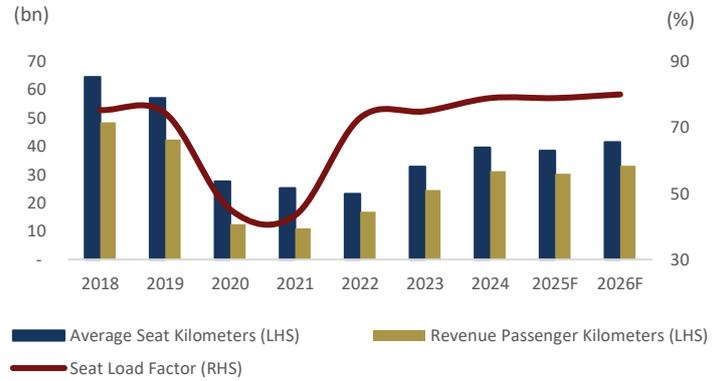
KEY CHARTS

Figure 1. Equity Trend, 2023-27F



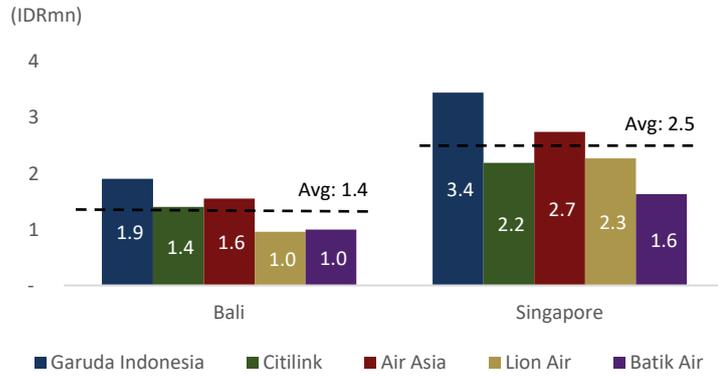
Sources: Company, SSI Research

Figure 2. ASK, RPK & seat load factor trend, 2018-26F



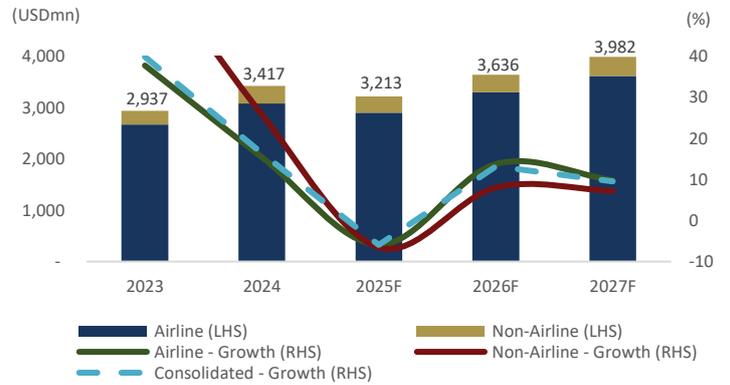
Sources: Company, SSI Research

Figure 3. Local flights' ticket-price comparisons (Oct-25)



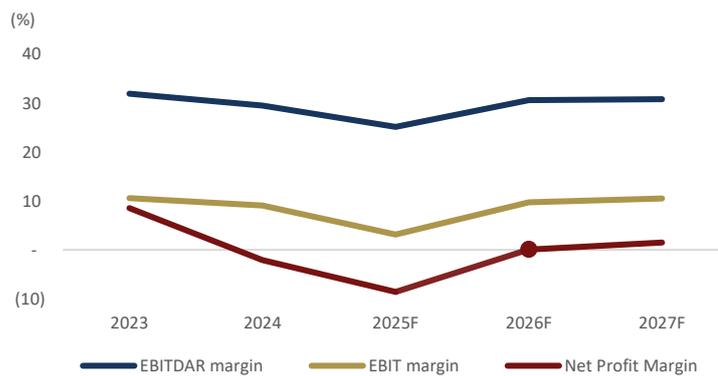
Sources: Traveloka, SSI Research

Figure 4. Revenue Trend



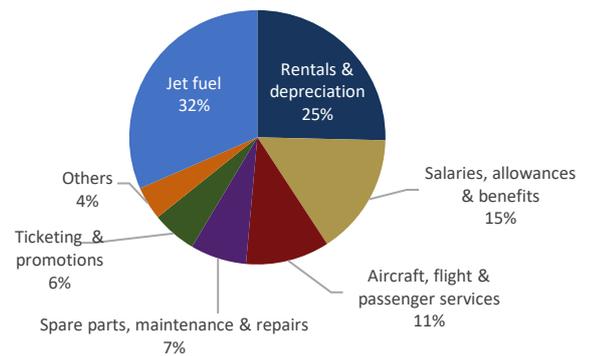
Sources: Company, SSI Research

Figure 5. Margin Trend



Sources: Company, SSI Research

Figure 6. Operating costs breakdown, 9M25



Sources: Company, SSI Research

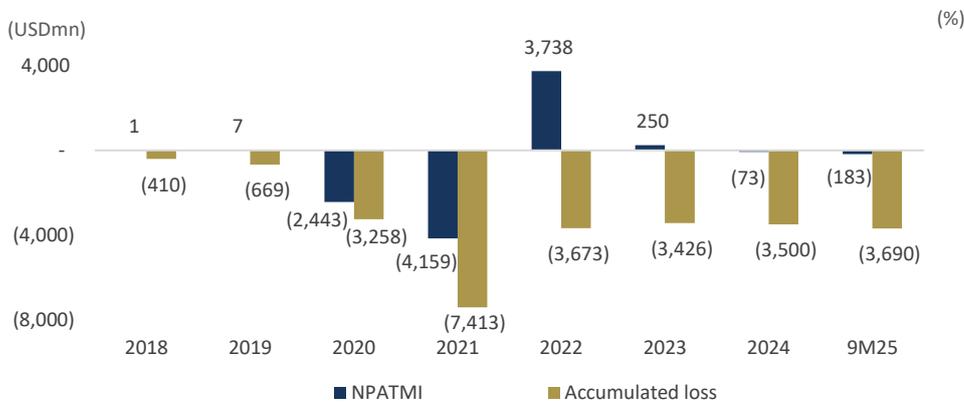
INVESTMENT THESIS – THE 8 ENGINES OF RECOVERY

First Engine: Repairing the Balance Sheet

The biggest obstacle for GIAA to achieve profitability is its high leverage, which stood at around USD 7.0 billion in 9M25, driven by substantial fleet maintenance costs. Meanwhile, its equity remains negative at USD 1.5 billion, weighed down by an accumulated loss of USD 3.7 billion. The massive loss originated in 2020, when the pandemic forced mobility restrictions that halted transportation operations, while fixed costs such as maintenance and interest expenses continued to burden airlines, including GIAA. In 2022, GIAA underwent a financial restructuring by converting part of its debt into bonds and conducting a debt-to-equity swap, which helped reduce its accumulated losses by nearly half.

GIAA's path to profitability remains constrained by its high leverage of around USD 6.6 billion and negative equity of USD 1.5 billion, a legacy of...

Figure 7. NPATMI & accumulated loss trend, 2018-9M25



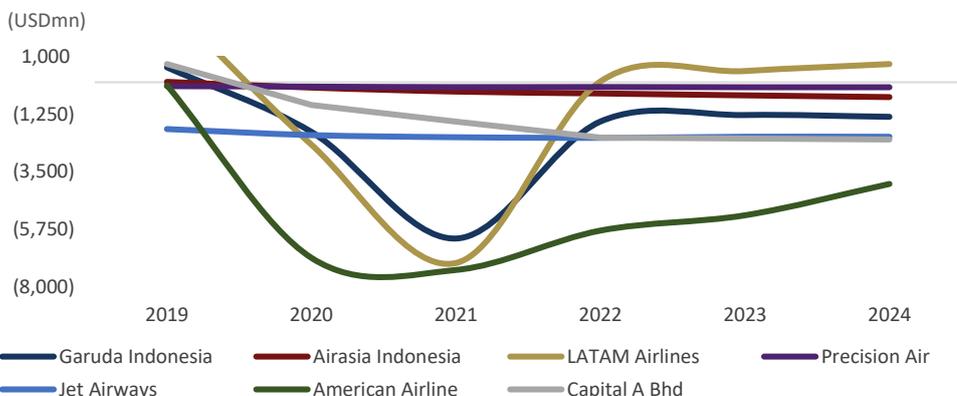
Sources: Company, SSI Research

... heavy pandemic losses despite the 2022 debt-to-equity swap and bond conversion that halved its accumulated losses

Many airlines globally also suffered from negative equity, including Airasia (CMPP), Capital A Bhd (CAPITALA MK), LATAM Airlines (LTM CI), American Airlines (AAL US), Jet Airways (JETIN IN), and Precision Air (PAL TZ). Most of them continue to experience negative equity, except for LATAM Airlines, which managed to turn its equity positive in 2022, right after the pandemic period. So, what happened to LATAM Airlines?

Most global airlines, including Airasia, Capital A, and American Airlines, still face negative equity, except LATAM Airlines, which...

Figure 8. Global airlines with negative equity trend, 2018-24



Sources: Various Sources, SSI Research

... regained positive equity in 2022 following a major post-pandemic restructuring

LATAM Airlines voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code in mid-2020 after suffering massive losses due to the COVID-19 pandemic. The airline reduced its liabilities by extinguishing approximately USD 11 billion of legacy debt, lease obligations, and trade payables, effectively cutting its total debt by 35%. Part of these obligations was converted into new debt with longer maturities and lower interest rates, while the remainder was converted into equity alongside fresh capital injections. As LATAM Airlines returned to profitability following the pandemic, its balance sheet strengthened significantly, turning its accumulated losses into retained earnings starting from 2022 onward.

In 2022, Garuda Indonesia was in a recovery or viability phase pursued primarily through financial restructuring, undertaking a court-supervised PKPU process to resolve obligations, reduce its debt burden, and safeguard business continuity. In practice, GIAA restructured around USD 9bn of liabilities, cutting debt from USD 10.7bn to USD 6.2bn, including USD 821mn in debt-to-equity conversions; restructuring income also strengthened equity and reduced accumulated losses, narrowing negative equity from IDR 6.1bn in 2021 to IDR 1.5bn in 2022. By 2025, the company had entered a recovery and growth phase, shifting beyond survival toward improving performance, strengthening operations, and restoring fleet serviceability to better meet demand.

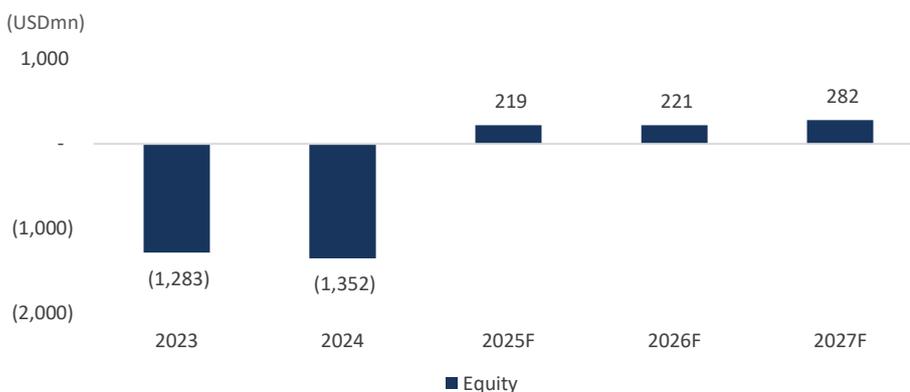
This transition also coincided with a major ownership change, with the majority stake moving to Danantara Asset Management, which provided stronger governance and a clearer long-term strategic direction. Compared with earlier periods, Danantara's support in 2025 was more structured and comprehensive, spanning both financial and managerial measures, including the placement of experienced professionals in key roles such as CFO and Chief Transformation Officer to drive a sustained turnaround. Following approval at the EGMS in Nov-25, Danantara planned to inject USD 1.4bn (IDR 23.7tn), comprising USD 1.0bn in cash and USD 405mn in debt-to-equity conversions; if executed, GIAA is expected to return to positive equity of around USD 219mn in 2025F, marking a new chapter for Indonesia's national carrier and supporting the broader revival of the aviation industry.

In 2020, LATAM Airlines reduced about USD 11bn in debt through conversions and new capital, allowing for return to profitability and turned losses into retained earnings by 2022

GIAA restructured under PKPU in 2022 to cut debt, then moved into a recovery and growth phase by 2025

Following the ownership shift to Danantara Asset Management, GIAA received structured support, including a planned USD 1.4bn capital injection approved at the Nov-25 EGMS

Figure 9. Equity Trend, 2023-27F



Sources: Company, SSI Research

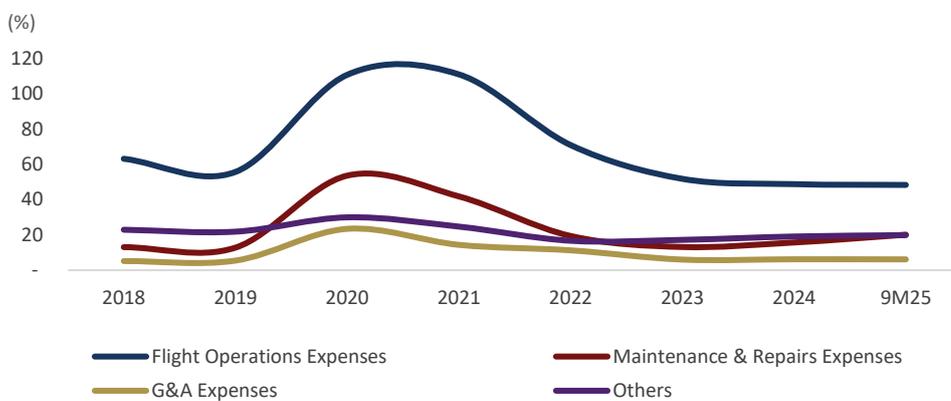
... restore positive equity by 2025F, marking a new chapter for Indonesia's national carrier

Second Engine: Rationalizing Fleet & Costs

Positive equity through balance sheet restructuring must go hand in hand with a positive bottom line to keep equity healthy—otherwise, it risks becoming another time bomb. To achieve this, the company should simplify its fleet types, improve utilization, and lower unit costs, as implemented by LATAM Airlines during its near-bankruptcy recovery. Since the pandemic, GIAA has streamlined its aircraft portfolio, cutting around 70 units and retaining only Boeing and Airbus models, mainly the B737-800, which is more cost-efficient. The seat load factor reached 79% in 1H25, reflecting higher revenue per flight and improved unit cost efficiency. We expect GIAA to further enhance its cost structure, while volatile fuel costs can be mitigated through hedging strategies and operating newer, more efficient aircraft, as the company’s current average fleet age of 12.4 years will be considered old within the next 2–3 years.

GIAA’s balance sheet recovery must align with profitability, supported by fleet simplification, higher utilization, and efficient fuel management through newer aircraft and hedging

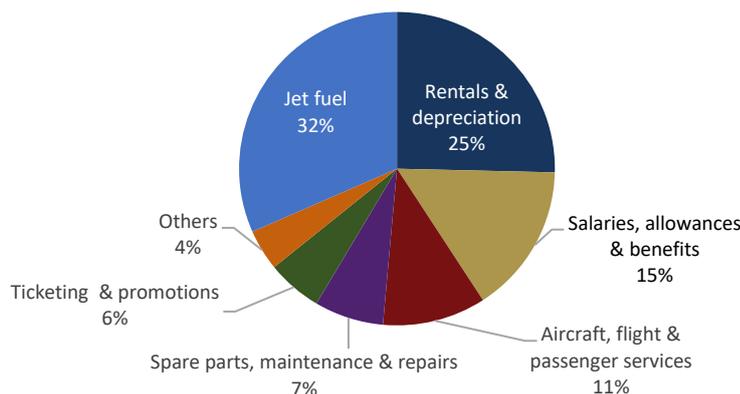
Figure 10. Costs to revenue trend, 2018-9M25



Sources: Company, SSI Research

GIAA’s cost reductions lifted its EBITDA margin to 25% in 1H25, with further improvement to 30% in 2026F expected from lower fuel costs and tighter cost control

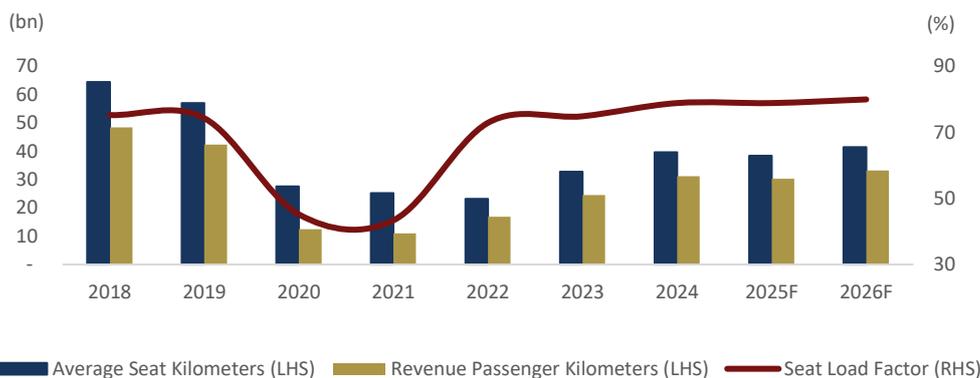
Figure 11. Operating costs breakdown, 9M25



Sources: Company, SSI Research

Jet fuel remains the largest cost component at 32%, and every USD 1 per barrel (1%) increase in jet fuel price may reduce 2027F EBITDAR by 1.3% and net profit by 13%

Figure 12. ASK, RPK & seat load factor trend, 2018-26F



Sources: Company, SSI Research

In 2024, higher seat load factor of 79%, supported by 20.7% YoY increase in Average Seat Kilometers (ASK) and 27.1% YoY rise in Revenue Passenger Kilometers (RPK)

Figure 13. Current fleet's average age

A/C Type	Age (years)
Garuda Indonesia	
B737-800	13.3
B777-300	11.0
A330-200	14.4
A330-300	16.3
A330-900	6.0
Average	13.1
Citilink	
A320-200	11.7
A320-200 neo	7.6
ATR72-600	13.0
B737-500	28.1
B737-300	28.7
Average	11.5

Sources: Planespotters, SSI Research

Company's current average fleet age of 12.4 years will be considered old within the next 2–3 years

Third Engine: Right-sizing, then Expanding

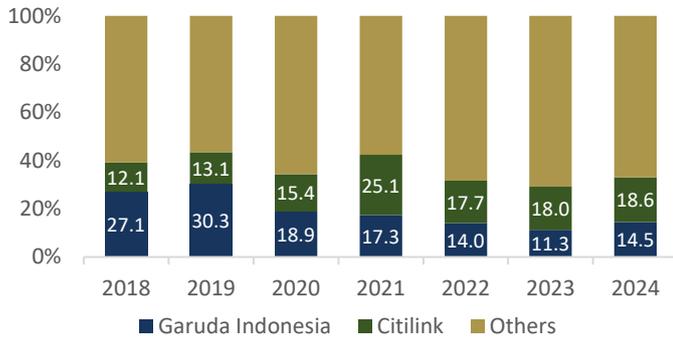
When an airline seeks to recover and strengthen its balance sheet, cutting aircraft rentals becomes one of the most crucial strategies. The industry is typically characterized by high fixed costs, where economic downturns or force majeure events can halt or reduce flight frequencies, yet aircraft still require costly maintenance. To protect the bottom line and preserve cash from being drained by rental and maintenance expenses, reducing the number of fleets serves as a key support measure. However, this inevitably leads to fewer flight frequencies, lower revenue passenger kilometers (RPK), and ultimately, a decline in market share.

To strengthen its balance sheet, an airline may cut fleet rentals to reduce fixed costs, though this inevitably lowers flight frequencies, RPK, and market share

Compared to pre-COVID levels, GIAA has lost market share—especially in international flights, which fell from 21% in 2019 to 7% in 2024—partly due to a reduction in aircraft from 210 to 139 units, resulting in fewer flight frequencies, as well as stronger competition from other airlines. In domestic flights, GIAA's share also declined (33.1% in 2024 vs. 43.5% in 2019), with a noticeable shift toward its low-cost subsidiary Citilink, which now dominates the group's market due to more affordable ticket prices. As the economy improves, we expect average revenue per passenger to rise, driven mostly by continued preference for comfort and premium service among upper-income travelers, segments best served by Garuda Indonesia.

GIAA's market share fell as fleets shrank and competition rose, but internal restructuring should lift yields and sustain premium demand for Garuda Indonesia

Figure 14. Domestic flight market share, 2018-24



Sources: Company, SSI Research

Figure 15. International flight market share, 2018-24



Sources: Company, SSI Research

This move is already on the right track, as cost and capex reductions can improve margins, helping the company stay profitable and protect equity. Once GIAA restores profitability, it can expand its fleet to regain market share ahead. We project EBITDA margins to rise to 28.5% in 2025F and 31.5% in 2026F, supported by flight cost efficiency and lower fuel prices, before gradually increasing fleet size, adding new routes, and carrying more passengers.

Cost cuts should lift GIAA's margins, enabling fleet expansion and future market share recovery

Forth Engine: Improving Data-Driven Network & Yield Management

Passenger yield is one of the most crucial indicators to maintain, as it reflects a company's pricing power and yield management capability. A data-driven network analysis determines which routes to operate, flight frequency, and optimal pricing for each seat. Maximizing passenger yield involves deploying the right aircraft on the right route, at the right time, and at the right price, supported by dynamic revenue management that continuously adjusts seat inventory and fares. This process leverages machine learning models to analyze macroeconomic data, seasonality, and booking curves, enabling smarter demand forecasting and capacity planning.

Passenger yield reflects pricing power, optimized through data-driven route planning, dynamic pricing, and machine learning-based demand forecasting

GIAA's passenger yield has normalized from post-COVID highs, when demand surged following the lifting of social restrictions. In 1H25, passenger yield stood at 7.5 US¢, down from 8.1 US¢ in 2024, reflecting weaker purchasing power and slower economic growth. We expect economic recovery to lift yields slightly to 7.8 US¢ in 2026F, supported by effective pricing strategies and demand forecasting, particularly for GIAA's main brand, where yield declined to 7.7 US¢ from 8.1 US¢ in 2024, leaving room for further recovery.

GIAA's yield fell to 7.5 US¢ in 1H25 but is expected to recover to 7.8 US¢ within a few years, supported by...

Figure 16. Passenger yield trend, 2018-26F



Sources: Company, SSI Research

... improving demand and stronger pricing strategy

Fifth Engine: Leading by Honesty

“If we don’t change, we die” was a statement made by Idris Jala when he became CEO of Malaysia Airlines in 2005. At that time, the company was on the brink of bankruptcy, losing around RM 1.3 billion that year. Through his radical transparency, he delivered this mantra to employees, management, and the media, refusing to sugarcoat the crisis and forcing all stakeholders to confront a painful reality. Under his leadership—marked by decisive actions, not just words—Malaysia Airlines returned to profitability by 2007, earned international awards for its turnaround, and became a Harvard Business School case study on corporate transformation.

Glenny H. Kairupan: In October 2025, GIAA reshuffled its board of directors and commissioners during the EGMS, appointing Glenny H. Kairupan, formerly a commissioner, as the new President Director. He previously served in the Indonesian Army (TNI) with a distinguished career in aviation, intelligence, and command posts. His military aviation background and crisis-management experience are expected to bring stronger discipline and organizational structure to GIAA, whose key challenges lie in operational and balance sheet restructuring. In addition, his close connection with Indonesia’s President Prabowo Subianto is likely to provide GIAA with greater access to regulatory, funding, and restructuring support from the government.

Balagopal Kunduvara: With over 25 years at Singapore Airlines, rising from engineer to senior finance roles, Balagopal Kunduvara brings deep expertise in aviation finance, risk management, and corporate planning to help GIAA achieve healthier balance sheet. He notably helped Singapore Airlines win Asia’s “Best Crisis Management Solution” award in 2021 and was appointed Finance Director at GIAA’s Oct-25 EGMS.

Neil Raymond Mills: Appointed as Director of Transformation in October 2025, Neil Raymond Mills previously served as CFO at Flydubai, where he helped build the airline from startup to full operation. He also served as CEO of SpiceJet, gaining extensive experience in aggressive cost control and commercial restructuring.

From Malaysia Airlines’ inspirational turnaround story to the inclusion of foreign executives in SOE management, we expect GIAA’s current leadership, with diverse experience and proven track records, to tell the hard truth: the company must restructure not only its balance sheet but also its operations. While balance sheet restructuring is a short-term solution, profitability remains the long-term key. Achieving a positive bottom line will not be easy; it requires not just good management, but great leadership to bring GIAA back on the right track to take off.

Sixth Engine: Resetting Internal Culture

Years of losses can be tough, potentially affecting the mindset and performance of both management and employees. To rebuild morale and restore focus, a cultural reset must be implemented, starting from the top. Management should embrace greater transparency, establish clear individual responsibilities, enforce a balanced reward-and-punishment system to boost performance, streamline excessive organizational layers, and make decisive changes that prioritize profitability.

In 2005, Idris Jala led Malaysia Airlines’ turnaround with his “If we don’t change, we die” mantra, driving radical transparency that restored profitability by 2007 and made the airline a Harvard case study

In Oct-25, GIAA named Glenny H. Kairupan as President Director, bringing military discipline and Prabowo’s backing to strengthen its restructuring

Ex-Singapore Airlines veteran Balagopal Kunduvara joins GIAA as Finance Director to strengthen its balance sheet

Appointed in Oct25, Neil Raymond Mills brings restructuring expertise from Flydubai and SpiceJet

Inspired by Malaysia Airlines’ turnaround, GIAA’s leadership must drive both financial and operational restructuring for lasting recovery

Years of losses require cultural reset to restore accountability and profitability

Japan Airlines survived its near-bankruptcy in 2010 by implementing the *Amoeba Management* system, famously introduced by CEO Kazuo Inamori. He divided the organization into micro-profit centers with daily reporting, fostering a proactive management mindset focused on maximizing revenue and minimizing expenses. As a result, Japan Airlines transformed years of continuous losses into becoming one of the world's most profitable airlines.

To achieve an improved EBITDA margin of ~27% in 2023–24, GIAA rebuilt its internal culture through cost-awareness campaigns and streamlined decision-making to eliminate pre-restructuring bureaucracy. Though intangible, these efforts have significantly impacted the company's performance. We expect the new management to further strengthen this culture, enhancing mindset and work discipline.

Seventh Engine: Turning Current Negative Condition into Positive Catalysts

Business and crisis are inseparable, as every company has faced, or will eventually face, a crisis. Such crises may stem from external factors like COVID-19 or commodity cycles, or internal issues such as debt defaults and mismanagement. While crises can severely impact a business, they also serve as catalysts for innovation, improvement, and transformation. Difficult periods often justify necessary changes—such as layoffs, lease renegotiations, route cuts, or restructuring—that would be politically or socially impossible in good times.

GIAA's recent court-supervised restructuring (PKPU) compelled the company to streamline operations, simplify its fleet, and repair its balance sheet. In the coming years, we expect GIAA, backed by new management and stronger cost control, to emerge as one of Indonesia's greatest turnaround stories, restoring the pride of the national airline while expanding its reach across domestic and international markets.

Eighth Engine: Building Strategic Alliances

As airlines operate in a capital-intensive industry, expanding networks solely through owned aircraft requires heavy investment and long payback periods. This approach is impractical for companies with high leverage or negative equity. To continue expanding without excessive capital outlay or operational risk, strategic alliances and partnerships are the best alternatives. These can take several forms, such as:

- **Global Airline Alliances:** Membership in international networks enables code-sharing, shared lounges, and loyalty program integration. GIAA joined SkyTeam, one of the three major global airline alliances, in March 2014, gaining global connectivity, joint marketing opportunities to enhance its premium image, and the ability to expand international reach without burdening its balance sheet.
- **Joint Ventures:** Partnerships on specific routes using revenue-sharing schemes, coordinating pricing, schedules, and capacity, examples include LATAM with Delta and Qantas with Emirates.
- **Code-Sharing Agreements:** Expanding networks by selling tickets on flights operated by other airlines, such as Garuda's partnerships with Korean Air and Singapore Airlines.
- **Commercial and Government Partnerships:** Collaborations with tourism boards or local governments to promote air traffic and destinations.
- **Intermodal or Cargo Partnerships:** Integration with logistics providers to create end-to-end connectivity, such as Garuda Cargo's partnership with Pos Indonesia.

Japan Airlines rebounded from near-bankruptcy in 2010 through Kazuo Inamori's Amoeba Management, turning losses into record profitability

GIAA's cost awareness and leaner structure rebuilt a culture driving stronger performance

Crisis, whether external or internal, is inevitable—but it often drives the tough changes and innovations that make businesses stronger

GIAA's PKPU restructuring set the stage for a major turnaround with leaner operations and stronger management

For capital-intensive airlines, strategic alliances enable global expansions without heavy capital or balance-sheet strain, through...

... global airline alliances,...

... joint ventures,...

... code-sharing,...

... government collaborations, and...

... cargo partnerships

COMPANY OVERVIEW

Garuda Indonesia, established in 1950, is the national flag carrier of Indonesia, recognized for being one of the largest and most prestigious airlines in Southeast Asia. Originally a state-owned company, Garuda became a limited liability company in 1975 as part of Indonesia's broader economic reforms. Over the years, Garuda has expanded its operations to include both domestic and international routes, serving a broad range of passengers across the globe. It is known for its commitment to safety and quality, which has earned it numerous accolades and certifications, including recognition as a 5-star airline by Skytrax in recent years. The airline's fleet consists of a wide range of aircraft, from smaller regional planes to larger wide-body jets, which allow Garuda to service both short-haul and long-haul flights. Garuda Indonesia is also a member of the SkyTeam global airline alliance, enabling it to offer passengers more routes and seamless connections with other major international carriers.

In recent years, the airline had explored strategic acquisitions to enhance its fleet, network, and service offerings. Notably, in 2012, Garuda acquired a controlling stake in the budget carrier PT Citilink Indonesia, which enabled it to tap into the growing low-cost travel segment, complementing its full-service offering. Additionally, Garuda has made efforts to consolidate smaller airlines and partner with other regional carriers to increase connectivity and reduce operational redundancies. These acquisitions and partnerships have allowed Garuda to diversify its services and strengthen its position in both domestic and international markets. Furthermore, GIAA is in talks to merge with Pelita Air, though the discussions are still in the early stages.

Airline Services (Passenger)

In 2024, GIAA operated 139 fleets, with 73 fleets under the Garuda Indonesia brand and the remaining 66 fleets belonging to Citilink. The majority of Garuda's fleet consists of the B737-800 (60%), which serves as the workhorse for domestic and regional flights. GIAA both purchases and leases this narrow-body aircraft from Boeing, as it offers lower costs, greater efficiency, and is suited for high-frequency flights on shorter routes. For international flights, GIAA relies on the A330-300, a wide-body aircraft from Airbus, with a capacity of over 300 seats, providing more comfort for long-haul journeys.

Garuda Indonesia, established in 1950, is the national flag carrier of Indonesia, offering domestic and international flights, recognized for safety and quality, and a member of the SkyTeam global airline alliance

Garuda had made strategic acquisitions, including Citilink in 2012, and is in talks to merge with Pelita Air to expand fleet and network

In 2024, GIAA operated 139 fleets, with 73 under Garuda Indonesia and 66 under Citilink, predominantly using the B737-800 for regional flights and the A330-300 for international routes

Figure 17. GIAA's fleet profile (Garuda Indonesia)

A/C Type	Total A/C	Length (m)	Wingspan (m)	Range (km)	First/Business/Economy	Cockpit/Cabin Seat in A/C	Maximum Speed
B737-800	43	39.47	35.79	5,713	41 A/C Reg: 12C/150Y; 2 A/C Reg: 8C/153Y	3 pilot seat / 6 attendance seat	0.82 Mach
B777-300	8	73.90	64.80	14,492	2 A/C Reg: 8F/38C/268Y; 6 A/C Reg: 26C/367Y	4 pilot seat / 18 attendance seat	511 kts / 0.89 Mach
A330-200	3	58.38	60.30	13,427	2 A/C Reg: 18C/242Y; 1 A/C Reg: 36C/186Y	4 pilot seat / 11 attendance seat	330 kt / 0.86 Mach
A330-300	16	63.69	60.30	11,297	4 A/C Reg: 2C/361Y; 6 A/C Reg: 36C/215Y; 4 A/C Reg: 24C/263Y; 2 A/C Reg: 2C (cargo)	4 pilot seat / 15 attendance seat	330 kt / 0.86 Mach
A330-900	3	63.67	64.00	11,556	3 A/C Reg: 24C/277Y	4 pilot seat / 12 attendance seat	330 kt / 0.86 Mach

Sources: Company, SSI Research

Through Citilink, GIAA operates air trips primarily with A320-200 and A320-200 neo aircraft, which make up 60% of Citilink's total fleet. These narrow-body Airbus aircraft, with approximately 180 seats in economy class, are well-suited for domestic and regional flights. Citilink focuses on the lower market segment compared to GIAA's main brand.

GIAA's Citilink operates A320-200 and A320-200 neo aircraft, making up 60% of its fleet for regional flights

Figure 18. GIAA's fleet profile (Citilink)

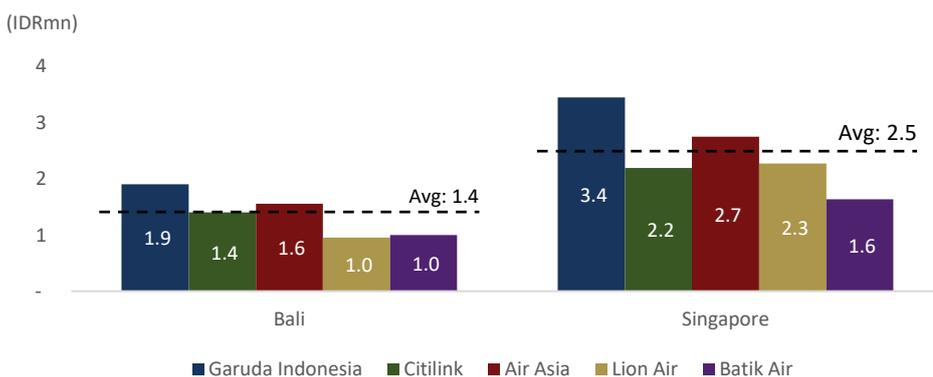
A/C Type	Total A/C	Length (m)	Wingspan (m)	Range (km)	First/Business/Economy	Cockpit/Cabin Seat in A/C	Maximum Speed
A320-200	39	37.57	34.10	6,112	180Y	4 pilot seat/4 attendance seat	0.82 Mach
A320-200 neo	10	37.57	35.80	6,500	180Y	4 pilot seat/4 attendance seat	0.82 Mach
ATR72-600	7	27.17	27.05	1,648	70Y	3 pilot seat/2 attendance seat	510 km/h (275 kt)
A330-900Neo	2	63.67	64.00	11,556	42Y+/323Y	4 pilot seat/11 attendance seat	0.86 Mach
B737-500	3	31.1	28.9	4,444	1 A/C Reg: Freighter Aircraft 2 A/C Reg: 12C/84Y	4 pilot seat/4 attendance seat	0.73 Mach
B737-300	5	33.4	28.9	4,204	2 A/C Reg: 8C/124Y 3 A/C Reg: 16C/94Y	4 pilot seat/4 attendance seat	0.73 Mach

Sources: Company, SSI Research

From a pricing perspective, based on our channel check on 23 October 2025, GIAA's ticket prices are around 40% higher than domestic peers for both domestic and international routes. This premium pricing is justified by GIAA's superior service quality as a full-service flag carrier, catering to premium and business travelers. Certified as a 5-star airline by Skytrax, GIAA's positioning in the premium segment offers resilience against economic downturns, while demand from the middle class is expected to strengthen with economic recovery.

As of 23 Oct 2025, GIAA's fares are about 40% higher than peers, reflecting its 5-star full-service positioning as...

Figure 19. Local flights' ticket-price comparisons for domestic and international



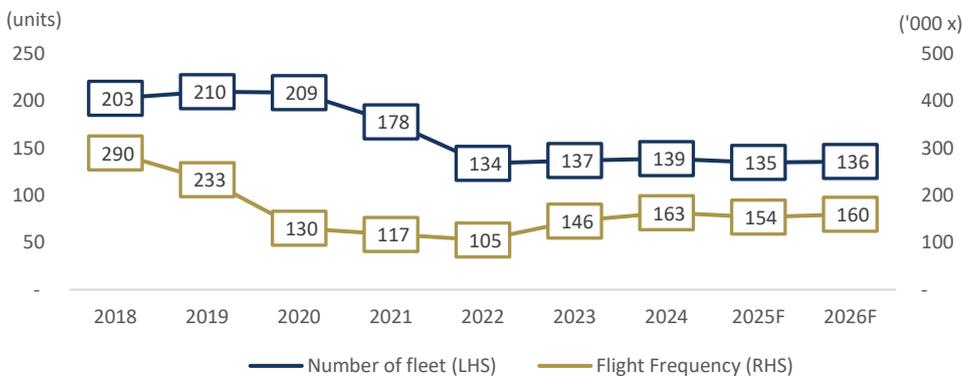
Sources: Traveloka, SSI Research

... Indonesia's premium flag carrier, more resilient to downturns given rising middle-class demand

Compared to pre-COVID levels, GIAA operates far fewer fleets, with 139 aircraft in 2024 (210 in 2019). This is mainly due to the discontinuation of approximately 70 leased aircraft in 2021–22, primarily small regional jets, as travel restrictions were implemented to slow the virus spread. The 33.8% decline in fleet size from 2019–24 drove a decrease in flight frequency to 163K (-30.0% in 2019–24), while maintaining a similar flight frequency per fleet at ~1,100 times per year. Fewer fleets resulted in lower flight operational expenses (2024: 48.8% of revenue; 2019: 55.8%) and maintenance costs (-38% in 2019–24). Furthermore, we expect the number of fleets to increase gradually to meet rising demand and support new routes, with a slight decline in 2025F flight frequency due to fleet maintenance programs before increasing again in 2026F.

GIAA operated 139 fleets in 2024 (210 in 2019), down 33.8% due to discontinued leases during 2021–22 amid travel restrictions, reducing flight frequency by 30% (2019–24) and...

Figure 20. GIAA's fleet number & flight frequency trend



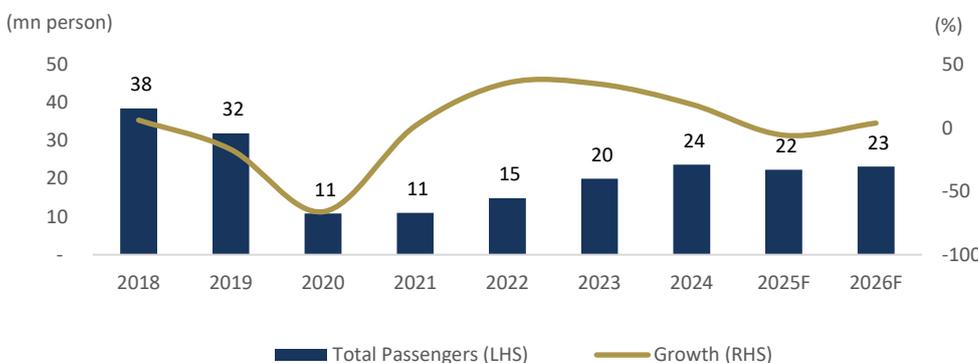
Sources: Company, SSI Research

... lowering operational and maintenance costs, with fleet expansions expected from 2026F after a temporary dip in 2025F for maintenance

GIAA has not yet surpassed its pre-COVID passenger level of 32 million in 2019, with total passengers in 2024 reaching 24mn (26% lower). However, passenger numbers rose 18.5% YoY in 2024, supported by the addition of 15 new domestic routes and an improvement in seat load factor to 79% (2023: 75%), driven by higher Average Seat Kilometers (ASK) of 39.6bn (+20.7% YoY) and Revenue Passenger Kilometers (RPK) of 31.3bn (+27.1% YoY). We expect total passengers to decline in 2025F due to the fleet maintenance program, before resuming growth in 2026F, with the seat load factor remaining stable.

GIAA's passenger numbers in 2024 reached 24mn (26% lower than 2019), but...

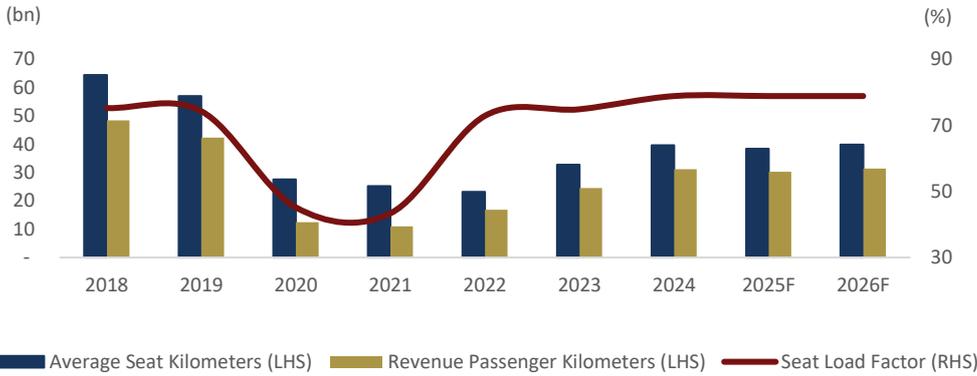
Figure 21. GIAA's passenger trend



Sources: Company, SSI Research

... still grew 18.5% YoY, driven by 15 additional domestic routes and...

Figure 22. ASK, RPK & seat load factor trend



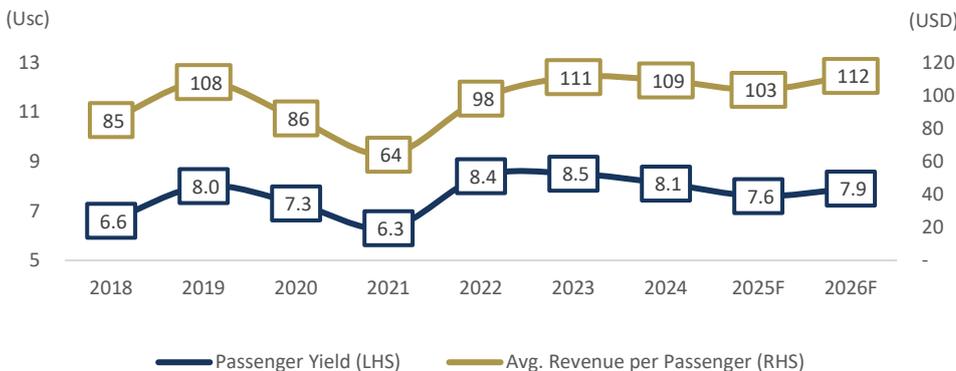
Sources: Company, SSI Research

... higher seat load factor of 79%, supported by 20.7% YoY increase in ASK and 27.1% YoY rise in RPK

Passenger yield has shown improvement, recovering from COVID-19 levels and surpassing pre-COVID figures, with Usc 8.1 for passenger yield and USD 109 for average revenue per passenger. This is mainly due to higher ticket prices, supported by better seat load factor and dynamic pricing through various marketing strategies. We believe improved purchasing power may lead to upselling opportunities and better pricing strategies to maximize revenue, especially with Garuda Indonesia's brand, which allows it to charge premium prices compared to smaller competitors.

Passenger yield has surpassed pre-COVID levels, reaching Usc 8.1, with...

Figure 23. Passenger yield & avg. revenue per passenger trend



Sources: Company, SSI Research

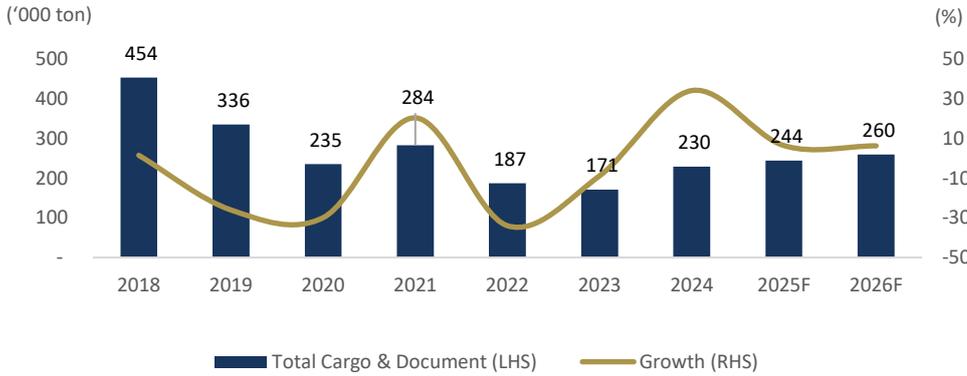
... average revenue per passenger at USD 109, driven by higher ticket prices, better seat load factor, dynamic pricing, and Garuda's premium brand positioning

Airline Services (Cargo & Document)

Not only for passengers, GIAA also provides air logistics through its cargo and document segment, serving mainly B2B clients. This segment consists of two types: belly cargo (the majority), where goods are shipped in the cargo hold of passenger aircraft, and freighter, where aircraft are fully chartered for cargo operations. In 2024, GIAA delivered 230 tons of cargo and documents (+34.3% YoY), and we expect continued growth with the cargo load factor rising to 41.0% by 2026F, driven by expanding inter-island and international B2B operations.

GIAA also provides air logistics through its cargo and document segment, mainly serving B2B clients, delivering...

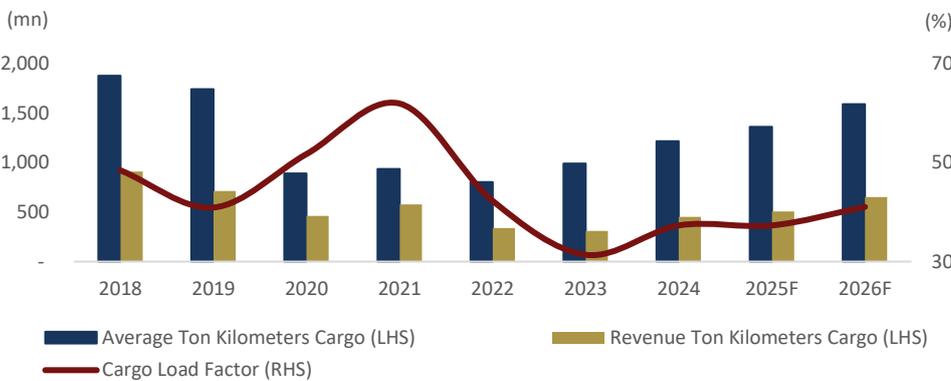
Figure 24. GIAA's cargo & document segment trend



... 230 tons in 2024 (+34.3% YoY) with growth expected to continue as...

Sources: Company, SSI Research

Figure 25. ATKC, RTKC & cargo load factor trend



... the cargo load factor rises to 41.0% by 2026F

Sources: Company, SSI Research

Hajj

GIAA provides non-scheduled airline services through charter flights transporting Indonesian pilgrims to Saudi Arabia (Jeddah or Madinah) for the Hajj pilgrimage, except in 2020 and 2021 due to the pandemic. We expect stable growth with a 2024–26F CAGR of 8.4%, as the Hajj quota is predetermined by the Saudi government.

GIAA operates Hajj charter flights to Saudi Arabia (except in 2020–2021), with...

Figure 26. GIAA's Hajj pilgrim trend



... 2024–26F growth expected at 6.1% CAGR supported by fixed Saudi quotas

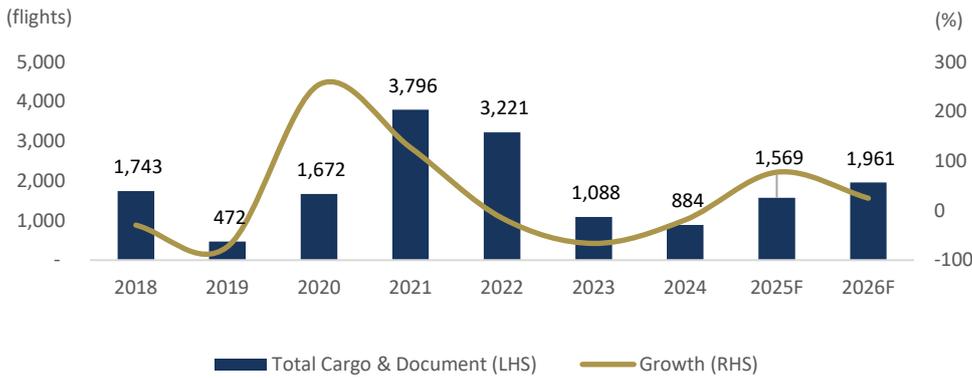
Sources: Company, SSI Research

Charter

Other GIAA non-scheduled airline services include charter flights, where government or corporate clients contract the airline for private use, such as business travel, sports teams, or VVIP transport. This segment is more volatile than scheduled passenger services due to its non-recurring nature.

GIAA's charter services cater to government and corporate clients for private or special flights, but...

Figure 27. GIAA's charter trend



... revenues are more volatile, depending on non-recurring events

Sources: Company, SSI Research

Other Non-Airline Services

Other than airline operations, GIAA also provides various supporting businesses such as aircraft maintenance, airline-related services, catering, travel agencies, facilities, hotels, and transportation, contributing about 10% of total revenue in 2024.

GIAA also runs businesses in maintenance, catering, and travel services, etc

FINANCIAL OVERVIEW

Figure 28. Revenue Trend

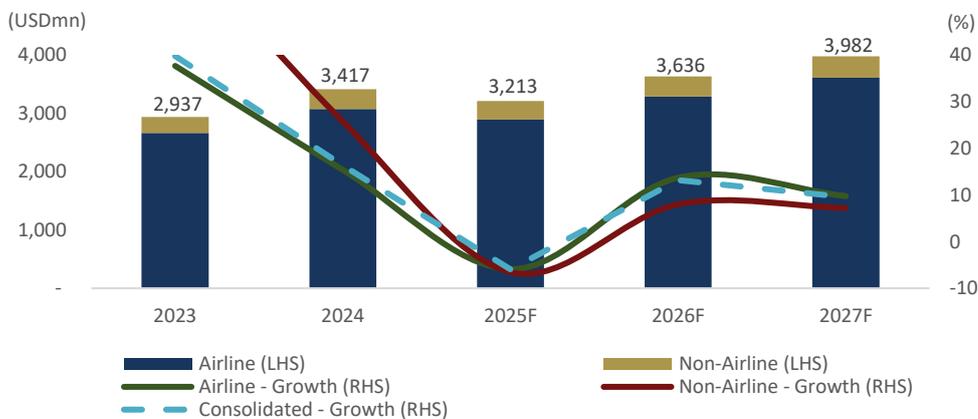
Results: (USDmn)	3Q25	2Q25	3Q24	QoQ (%)	YoY (%)	9M25	9M24	YoY (%)	SSI (%)	Cons (%)
Revenue	842	825	941	2.1	-10.5	2,390	2,562	-6.7	74.4	74.9
Operating Profit	60	38	91	56.8	-34.2	103	179	-42.3	37.5	33.5
Net Profit	(39)	(67)	(30)	42.2	-31.3	-183	-131	-39.1	146.5	234.0
Key Ratios										
OPM (%)	7.1	4.6	9.7	-	-	4.3	7.0			
NPM (%)	-4.6	-8.2	-3.1	-	-	-7.6	-5.1			

Sources: Company, SSI Research

GIAA's revenue is expected to grow 13.2% YoY to USD 3,636mn in 2026F and 9.5% YoY to USD 3,982mn in 2027F, driven mainly by the airline segment (contributing ~90% of total revenue), which is projected to grow 13.7% in 2026F and 9.9% in 2027F on the back of economic recovery and the addition of new aircraft, with flight frequency at 154–160K annually in 2026–2027F.

We believe broader interprovince and interisland business activity, supported by economic improvement, will help demand for air travel—aligning with the government's slightly higher GDP growth target, compared to our and consensus forecasts of c.5.0%. In addition, fiscal policies aimed at raising purchasing power and promoting Indonesia as a foreign tourist destination (1H25: +9.44% YoY) are expected to further support passenger growth.

Figure 29. Revenues Trend



Sources: Company, SSI Research

We expect the EBITDAR margin to remain at ~30-31% in 2026–27F, with the net profit margin turning positive at 0.1% in 2026F. This sustained profitability outlook will be supported by lower interest expenses from reduced debt, as GIAA plans to secure an additional USD 1.0bn equity injection and USD 405mn debt-to-equity conversion from Danantara. The injection will primarily fund working capital and maintenance capex, while excess cash is expected to be used to repay part of its outstanding debt.

GIAA booked 3Q25 revenue of USD 842mn (+2.1% QoQ, -10.5% YoY) with margins improving on quarterly basis

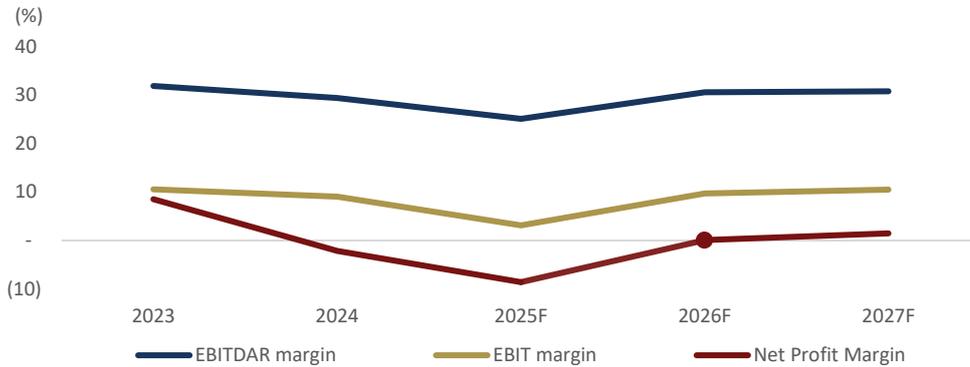
GIAA's 2026F revenue is expected to grow 13.2% YoY supported by 13.7% growth in airline segment due to higher flight frequency

Some economic improvement and further fiscal stimulus are expected to help lift air travel demand and passenger growth

GIAA's revenues are expected to grow 13.2% YoY to USD 3,636mn in 2026F and 9.5% YoY to USD 3,982mn in 2027F driven mainly by the airline segment (contributing ~90% of total revenue)

Supported by Danantara's USD 1.4bn capital injection that will lower debt, reduce interest costs, and strengthen profitability,...

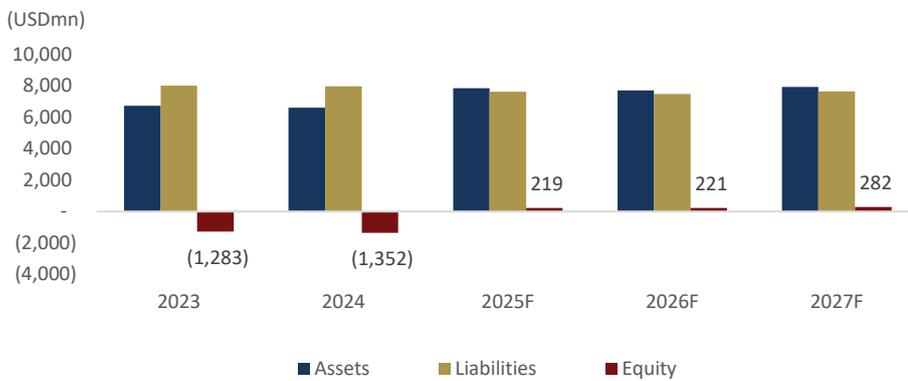
Figure 30. Margin Trend



Sources: Company, SSI Research

... GIAA's 2026F net profit is expected to turn positive at USD 3mn, before further improving to USD 100mn in 2027F

Figure 31. Balance Sheet Trend



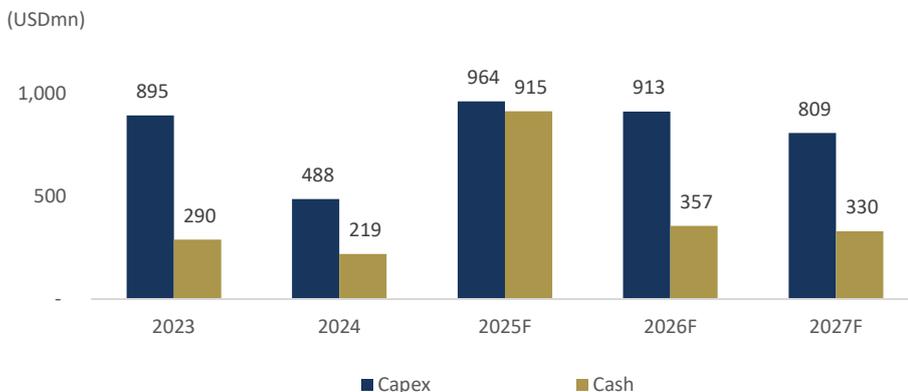
Sources: Company, SSI Research

From the Danantara injection, we expect GIAA to achieve positive equity of around USD 219mn in 2025F

The USD 1.0bn cash injection from Danantara through a rights issue at the end of 2025F will be allocated for 2026F capex, primarily for maintenance, while also adding 1 new aircraft to expand market share (~USD 21mn in right-of-use assets). Further capex will be mainly driven by maintenance investments.

The USD 1.0bn cash injection from Danantara will also fund 2026F capex, mainly maintenance, and...

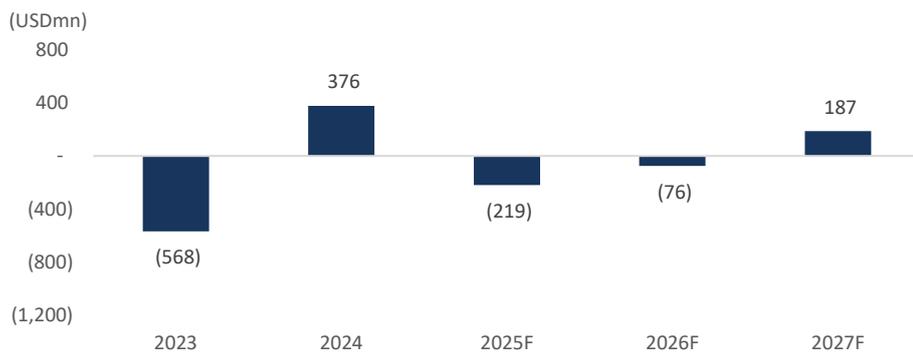
Figure 32. Capex Trend



Sources: Company, SSI Research

... support market-share expansion through the addition of one new aircraft (~USD 21mn ROU)

Figure 33. Free Cash Flow Trend



We expect FCFF to record positive USD 187mn in 2027F due to improving EBITDAR and contained capex

Sources: Company, SSI Research

VALUATION

Our initiation on GIAA maintains a positive view on the counter with BUY rating and target price (TP) of IDR 130, implying 75.7% potential upside. This valuation reflects an attractive 2026F EV/EBITDAR of 9.0x, in line with the industry average, supported by strong 27.2% EBITDAR margin (industry: 24.0%). Key risks: 1) lower passenger volumes, 2) increased fuel costs, and 3) higher-than-expected interest costs.

We initiate coverage on GIAA with BUY and TP of IDR 130 (+75.7% upside), supported by...

Figure 34. EV/EBITDAR Multiple

EV/EBITDAR Multiple	
EBITDAR 2026F (USDmn)	989
EV 2026F (USDmn)	8,878
Implied EV/EBITDAR (x)	9.0

... 2026F EV/EBITDAR target of 9.0x,...

Source: Company, SSI Research

Figure 35. Peer Comparison, 2026F

Company	Ticker	Market Cap. (USDmn)	EV/EBITDAR (x)	EBITDAR Margin (%)	P/S (x)	EV/Sales (%)
Interglobe Aviation	INDIGO IN	25,006	12.7	28.1	2.2	3.1
LATAM Airlines	LTM CI	14,577	6.7	23.3	0.9	1.6
American Airlines	AAL US	9,215	3.9	14.7	0.2	0.7
Vietnam Airlines	HVN VN	3,309	7.2	23.7	0.7	0.8
Asiana Airlines	020560 KS	1,150	4.8	17.5	0.3	0.8
Garuda Indonesia	GIAA IJ	583	7.9	27.2	0.2	1.8
Noibai Cargo	NCT VN	95	5.4	36	2.2	1.9
AirAsia Indonesia	CMPP IJ	58	19.5	5.2	0.1	1
Average		53,991	9.0	24.0	1.4	2.1

... while GIAA's EBITDAR margin of 27.2% is more attractive than the sector's 24.0%

Sources: Bloomberg, SSI Research

Figure 36. Management Profile

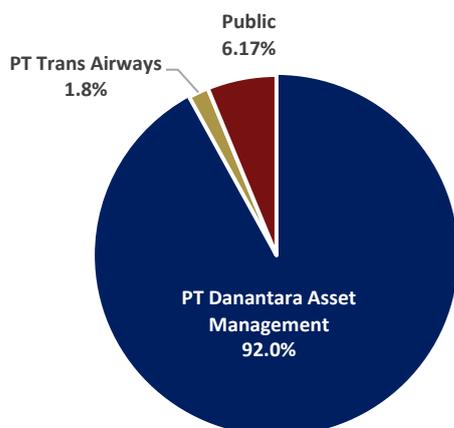
Board of Commissioners	Position	Years of Experience	(% Ownership)
 <p>Fadjar Prasetyo (59 years old), originating from Jakarta in 1966, has served as President Commissioner and Independent Commissioner of Garuda Indonesia since 2025. He is a graduate of the Indonesian Air Force Academy (AKABRI) Class of 1988 and has completed several advanced training programs, including Flight School Batch XLI (1990), Suspa Intelud (1992), and the Flight Safety Course at the Bangladesh Air Force (1994). His previous roles include President Commissioner of PT Dirgantara Indonesia (2021–24) and Chief of Staff of the Indonesian Air Force (2020–24).</p>	President Commissioner	35+	-
 <p>Chairal Tanjung (59 years old), a Jakarta native from 1966, has served as Commissioner of GIAA since 2025. He holds Bachelor's and Master's Degrees in Economics from Universitas Indonesia and also graduated from the State College of Accountancy (STAN). His professional background includes a prior term as Commissioner of GIAA (2014–20), long-standing leadership roles at CT Corp as Director (2000–present) and Finance Manager (1992–2000), as well as earlier experience as an Auditor at BPKP (1987–92).</p>	Independent Commissioner	37+	-
 <p>Frans Dicky Tamara (58 years old), originally from Manado and part of the 1966 cohort, serves as Commissioner of Garuda Indonesia. His academic background includes Master's in Economics from Universitas Krisnadwipayana and Bachelor's in Management from Universitas Sam Ratulangi. His professional journey spans multiple strategic roles within the Ministry of Defense, where he served as Head of the Planning and Finance Bureau (2023–24), led the Logistics and Maintenance Division (2021), and managed administrative functions at the Defense Finance Reporting and Development Center (2018–21).</p>	Commissioner	30+	-
 <p>Mawardi Yahya (67 years old) is from Sukaraja, Ogan Komering Ilir, and currently serves as an Independent Commissioner of Garuda Indonesia. He completed his Bachelor's degree at Universitas Palembang. His executive portfolio reflects extensive leadership in public administration, including tenure as Vice Governor of South Sumatra (2018–23), Regent of Ogan Ilir (2005–15), and Speaker of the Ogan Ilir Regional House of Representatives (1999–2005). He brings long-standing governance expertise and strategic oversight experience to the company.</p>	Independent Commissioner	25+	-

Board of Directors	Position	Years of Experience	(% Ownership)
 <p>Glenny H. Kairupan (76 years old) was newly appointed as President Director of Garuda Indonesia in 2025. He obtained a Master's Degree in Philosophy from American World University and a Bachelor's Degree from Universitas Dirgantara Marsekal Suryadarma. He previously served as Commissioner of Garuda Indonesia (2024–25) and President Commissioner of PT Teknologi Militer Indonesia (2020–present), and has extensive experience in defense and leadership roles within the Ministry of Defense, including as lecturer at the National Resilience Institute (Lemhannas) and as Commander of the Military Resort Command 073/Makutarama.</p>	President Director	45+	-
 <p>Thomas Sugiarto Oentoro (55 years old), Indonesian-born, is the current Deputy President Director of Garuda Indonesia. His educational background spans an MBA from the University of Chicago Booth School of Business and a Bachelor of Science in Finance from New York University. Prior to his appointment, he served as Chief Risk Officer at Indonesia Investment Authority (INA) (2024–present), Commissioner of Garuda Indonesia (2023–24), and Vice President at OCBC Mezzanine Capital Unit (2015–23).</p>	Deputy President Director	30+	-
 <p>Balagopal Kunduvara (48 years old), an Indian national, serves as Director of Finance and Risk Management. His postgraduate studies were completed through MBA programs at the National University of Singapore and the University of California, Los Angeles. Prior to joining Garuda Indonesia, he was Divisional Vice President of Financial Services at Singapore Airlines (2018–25), General Manager for the Philippines (2017–18), and Vice President of Company Planning & Fuel (2013–17).</p>	Director of Finance and Risk Management	20+	-
 <p>Reza Aulia Hakim (41 years old) has built a career across key commercial and operational functions within Indonesia's aviation industry. His leadership experience includes assignments at PT Garuda Indonesia (Persero) Tbk as VP Sales & Distribution (2019-20), GM Beijing (2018-19), and VP Revenue Management (2017-18), in addition to his role as Commercial Director at PT Gapura Angkasa (2024-25). He has been Commercial Director since 2025 and holds on Bachelor's Degree in Information Systems from Universitas Gunadarma.</p>	Director of Commerce	15+	-
 <p>Dani Haikal Iriawan (51 years old) brings over two decades of expertise in flight operations and safety management. His leadership background includes roles as Flight Operations Group Head (2025), VP of Corporate Quality, Safety, and Environment Management (2018-22), and Senior Manager of Incident Management (2010-18). He completed his Bachelor's studies in Economics at Universitas Kejuangan 45.</p>	Director of Operations	20+	-

Board of Directors	Position	Years of Experience	(% Ownership)
 <p>Mukhtaris (42 years old) has served as Director of Engineering since 2025. He is a graduate of PPM Management, where he earned his Master’s Degree in Management, and of Institut Teknologi Sepuluh Nopember (ITS) with a Bachelor’s Degree in Mechanical Engineering. His career includes key technical and operational roles such as Director of Line Operation at PT GMF Aero Asia Tbk (2022-25), VP Acquisition & Aircraft Management at PT Garuda Indonesia Tbk (2018-22), and VP Aircraft Maintenance Management (2015-18).</p>	Director of Engineering	15+	-
 <p>Eksitarino Irianto (40 years old) earned his Master of Arts from the University of Birmingham and a Bachelor’s Degree in Political Science from Universitas Pelita Harapan. He has been Director of Human Capital and Corporate Services since 2025 and has been part of Garuda Indonesia since 2018. Within Garuda Indonesia, he has taken on responsibilities as Human Capital Management Group Head (2020-24) and Senior Manager of Line Station Management (2018-20), strengthening his expertise in both human capital development and operational management.</p>	Director of Human Capital and Corporate Services	10+	-
 <p>Neil Raymond Mills (54 years old), with roots in Pretoria, serves as Chief Transformation Officer. He earned a Bachelor’s Degree in Accounting Science from the University of South Africa. His professional background includes senior leadership roles prior to joining Garuda Indonesia, such as Chief Procurement Officer & Head of Transformation at Scandinavian Airlines (2024–25), President and Chief Operating Officer of Green Africa Airways (2019–21), and Expert Witness and Airline Transformation Consultant at NM Aviation Limited (2021–24).</p>	Director of Transformation	25+	-

Sources: Company, SSI Research

Figure 37. Company Ownership



GIAA is currently 92.03% owned by PT Danantara Asset Management, following the capital injection and debt-to-equity conversion

Sources: Company, SSI Research

Figure 38. Company Milestones

Year	Achievements
1949	Garuda Indonesia operated its first inaugural flight .
1955	Conducted its first Hajj flight to Mecca
1965	Launched its first European route to Amsterdam.
1969	Opened its first Australia route , flying Sydney–Denpasar
1984	Became one of Asia’s largest airlines operating a major jet fleet
1985	Introduced the Modern Bird Symbol , the logo still used today
1994	Started operating the Boeing 747-400 , one of the world’s largest wide-body aircraft.
2008	Received IATA Operational Safety Audit (IOSA) certification.
2009	Launched the Garuda Indonesia Experience service concept and upgraded inflight entertainment (AVoD). 2009
2010	Reactivated the Jakarta–Amsterdam long-haul route and won “ World’s Most Improved Airline ” (Skytrax).
2011	Became a publicly listed company on the Indonesia Stock Exchange..
2012-2013	Introduced Explore & Explore Jet to expand connectivity to remote areas.
2014	Joined the SkyTeam Global Alliance ; opened direct Jakarta–London route.
2014-2018	Won “ World’s Best Cabin Crew ” for five consecutive years (Skytrax)
2016	Awarded “ World’s Most Loved Airline ” by Skytrax.
2017-2018	Recognized as Top 10 Global Airlines (Skytrax).
2019	Received first Airbus A330-900neo , strengthening global network.
2020	Named the World’s Most Punctual Airline (OAG) and carried out New Normal health initiatives during COVID-19.
2021	Received 5-Star COVID-19 Airline Safety Rating (Skytrax) and accelerated restructuring through PKPU.
2022	Completed the largest restructuring in national corporate history and restored fleet operations.
2023	Ranked in Forbes Global 2000 ; operated Indonesia’s first renewable-energy flight ; won World’s Best Cabin Crew 2023 .
2024	Purchased its first Greenhouse Gas Emission Reduction Certificates (SPE-GRK) , entered Fortune 100 Top 25 Companies , and recognized as one of the World’s Most Trusted Companies (Newsweek).

We expect GIAA to record 2026F revenue of USD 3.6bn (+11.0% YoY), supported by operations and improving economic conditions

Source: Company, SSI Research

Figure 39. Income Statement

Y/E Dec (USDmn)	23A	24A	25F	26F	27F
Revenue	2,937	3,417	3,213	3,636	3,982
Cost of Revenue	(2,627)	(3,108)	(3,113)	(3,408)	(3,621)
Operating Profit	310	309	100	228	361
EBITDA	936	1,005	806	989	1,179
Interest Income	6	9	22	22	8
Interest Expense	(457)	(480)	(477)	(425)	(414)
Other Incomes (Expenses)	375	81	46	50	49
Pre-tax Profit	235	(81)	(309)	(125)	4
Taxes	17	12	44	18	(1)
Minority Interest	(2)	(3)	(11)	(5)	0
Net Profit	250	(73)	(276)	(112)	4

Source: Company, SSI Research

We expect GIAA to record 2026F revenue of USD 3.7bn (+13.2% YoY), supported by operations and improving economic conditions

Figure 40. Balance Sheet

Y/E Dec (USDmn)	23A	24A	25F	26F	27F
Cash	290	219	915	250	173
Receivables	138	138	143	162	178
Inventories	116	84	75	82	87
Others	110	113	155	174	189
Total Current Assets	654	554	1,288	667	627
Net Fixed Assets	5,162	5,034	5,370	5,598	5,667
Other Assets	912	1,031	1,185	1,327	1,446
Total Assets	6,728	6,619	7,843	7,593	7,740
Payables	161	158	211	231	246
ST. Debt and CMLTD	304	354	313	285	278
Other Current Liabilities	700	661	697	789	864
Current Liabilities	1,165	1,173	1,222	1,306	1,388
LT. Debt	3,631	3,474	2,896	2,427	2,237
Other LT. Liabilities	3,214	3,323	3,505	3,756	4,007
Total Liabilities	8,010	7,971	7,624	7,489	7,632
Minority Interest	(35)	(32)	5	2	3
Total Equity	(1,283)	(1,352)	219	104	108

Source: Company, SSI Research

Danantara's injection will lead to positive equity next year

Figure 41. Cash Flow

Y/E Dec (USDmn)	23A	24A	25F	26F	27F
Net Profit	250	(73)	(276)	(112)	4
D&A	508	594	609	662	708
Chg. in Working Capital	(423)	29	57	(6)	(6)
Operating CF	267	507	384	617	765
Capital Expenditure	(895)	(488)	(964)	(909)	(796)
Others	(253)	(97)	(135)	(124)	(99)
Investing CF	(1,148)	(585)	(1,099)	(1,033)	(895)
Dividend Paid	-	-	-	-	-
Net Borrowings	441	13	(442)	(311)	2
Others	208	(6)	1,852	61	52
Financing CF	649	7	1,410	(250)	54
Net - Cash flow	(232)	(71)	696	(665)	(76)
Cash at Beginning	522	290	219	915	250
Cash at Ending	290	219	915	250	173

Source: Company, SSI Research

GIAA is expected to experience improvement in operating cash flow supported by operational enhancements

Figure 42. Key Ratios

Y/E Dec	23A	24A	25F	26F	27F
Operating Margin (%)	10.6	9.0	3.1	6.3	9.1
Net Profit Margin (%)	8.5	(2.1)	(8.6)	(3.1)	0.1
EBITDA Margin (%)	31.9	29.4	25.1	27.2	29.6
Revenue Growth (%)	39.8	16.3	(6.0)	13.2	9.5
EBITDA Growth (%)	117.4	7.4	(19.8)	22.7	19.2
Net Profit Growth (%)	(93)	n.m	n.m	n.m	n.m

Source: Company, SSI Research

Bottom-line losses will turn positive next year, supported in part by better cost control and lower interest expenses

Figure 43. Key Assumptions

Y/E Dec	23A	24A	25F	26F	27F
Number of fleet (unit)	137	139	135	141	143
Passengers (mn person)	20.0	23.7	22.3	24.1	25.4
ASK (bn)	32.8	39.6	38.4	42.2	44.5
RPK (bn)	24.6	31.3	30.3	33.7	36.3
Seat load factor (%)	74.9	78.9	78.9	80.0	81.5
Passenger yield (Usc)	8.5	8.1	7.6	7.8	8.0
CASK (Usc)	7.0	6.9	6.9	7.0	7.2
CASK - excl. fuel (Usc)	4.4	4.5	4.7	4.7	4.8

Source: Company, SSI Research

Passenger numbers will improve, supported by operational and economic enhancements

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