

Analysis of Cash Turnover to Improve Company Profitability at PT Hutama Karya

Amy Badriyah Siregar^{1*}, Nazwa Hadiarani², Suci Agsani³, Henny Andriyani Wirananda⁴, Sri Wardany⁵

^{1*,2,3,4,5} Department of Accounting, Universitas Muslim Nusantara Al-Washliyah, Medan City, North Sumatra Province, Indonesia.

Email: amybadriyahsiregar@umnaw.ac.id^{1*}, nazwahadiarani@umnaw.ac.id², suciagsani@umnaw.ac.id³, hennyandriyani@umnaw.ac.id⁴, sriwardany@umnaw.ac.id⁵

Abstrak. Penelitian ini bertujuan untuk menganalisis perputaran kas yang meliputi arus kas dari aktivitas operasi, investasi, dan pendanaan serta pengaruhnya terhadap peningkatan laba pada PT Hutama Karya. Data yang digunakan dalam penelitian ini diperoleh dari laporan keuangan konsolidasian perusahaan yang dipublikasikan oleh Indonesia Stock Exchange selama periode 2020–2024. Hasil penelitian menunjukkan bahwa meskipun arus kas dari aktivitas operasi dan investasi secara konsisten mengalami defisit, perusahaan tetap mampu mempertahankan likuiditasnya melalui pendanaan eksternal. Pengelolaan kas yang efektif, didukung oleh sistem informasi akuntansi yang terstruktur, terbukti mampu mendukung proses pengambilan keputusan keuangan yang berdampak positif terhadap profitabilitas, khususnya sejak tahun 2023. Dengan demikian, sistem penerimaan dan pengeluaran kas tidak hanya berfungsi sebagai alat administratif, tetapi juga sebagai instrumen strategis dalam mendukung perencanaan keuangan jangka panjang dan pertumbuhan laba perusahaan yang berkelanjutan.

Kata kunci: Perputaran Kas; Arus Kas Operasi; Investasi; Pendanaan; Laba Perusahaan.

Abstract. This study aims to analyze cash turnover including cash flows from operating, investing, and financing activities and their impact on increasing profit at PT Hutama Karya (Persero). The data used in this study were derived from the consolidated financial reports of PT Hutama Karya, published by the Indonesia Stock Exchange (IDX) for the period 2020–2024. The results indicate that although operating and investing cash flows consistently recorded deficits, the company was able to maintain liquidity through external financing. Effective cash management and a structured accounting information system have proven to support financial decision-making processes that positively impact profitability, especially since 2023. Thus, the cash receipt and disbursement system serves not only as an administrative tool but also as a strategic instrument in the company's long-term financial planning.

Keywords: Cash Turnover; Operating Cash Flow; Investment; Financing; Corporate Profit.

Introduction

In the modern business environment marked by economic uncertainty, effective cash flow management is a key factor in ensuring business continuity and enhancing corporate profitability. Healthy cash flows not only indicate operational smoothness but also serve as a critical metric for both short-term and long-term managerial decision-making. Cash

turnover reflects the velocity of cash inflows and outflows within a given period, which is closely linked to operational efficiency and the company's ability to meet its financial obligations. In the construction sector—such as in the case of PT Hutama Karya (Persero)—cash management becomes even more crucial due to the capital-intensive and long-duration nature of infrastructure projects.

Table 1. Data

Year	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents Net Increase (Decrease)	Ending Balance of Cash and Cash Equivalents
2020	(1.873.845)	(14.604.964)	19.298.434	2.819.605	11.130.641
2021	(252.249)	(13.581,534)	23.909.076	10.075.825	21.206.466
2022	(12.738)	(17.208.497)	29.502.484	12.281.249	33.656.186
2023	(2.256.076)	(14.781.560)	22.365.371	5.327.735	39.059.927
2024	(1.956.110)	(19.437.739)	19.069.462	(2.324.388)	36.769.029

PT Hutama Karya is a state-owned enterprise (BUMN) that plays a strategic role in national infrastructure development, including the Trans-Sumatra Toll Road (JTTS) project. To support the smooth progress of the project and enhance the company's profitability, an analysis of cash flows from operating, investing, and financing activities is highly important. These three elements interact and influence the company's liquidity and profitability conditions. Cash flow from operating activities reflects the company's ability to generate cash from its core operations (Emilia Fitriani *et al.*, 2024), whereas cash flow from investing activities indicates the company's expansion strategy (Arifin *et al.*, 2020). Meanwhile, cash flow from financing activities represents efforts to obtain capital from external sources (Oktofia *et al.*, 2021).

When effectively managed, these three types of cash flows can support sustainable profit growth. Although external financing is crucial to maintaining operational stability and supporting investment activities, the negative impacts of such external transactions may potentially increase the company's financial risk (Sandika *et al.*, 2023). In the context of PT

Hutama Karya, which is involved in long-term infrastructure projects, cash flow analysis is critical to ensuring the smooth funding of projects and the continuity of operations. Therefore, this study aims to analyze how cash flows from operating, investing, and financing activities can be utilized to improve the company's profitability, as well as to provide strategic recommendations for more effective cash flow management.

Literature Review

Cash Turnover

Cash turnover is an important indicator in corporate financial management as it reflects the efficiency of cash flow in supporting operations and increasing profitability. Previous studies have shown that effective management of cash turnover can significantly contribute to improving company profits. (Anggraini *et al.*, 2023), in their research on PT BFI Finance Indonesia Tbk, found that cash turnover and accounts receivable turnover simultaneously have a significant effect on Return on Equity (ROE). This indicates that the effectiveness of

cash usage in the company's operational cycle greatly influences the rate of return for shareholders. Furthermore, (Sayudha Adi Saputra & Ayu Oktoriza, 2024) in a study of food and beverage companies listed on the Indonesia Stock Exchange (IDX) during the 2018–2022 period, found that cash turnover and receivables have a significant impact on profitability. These results support the notion that cash turnover efficiency plays a vital role in maintaining smooth business operations and increasing profit margins. (Salsabiladithi & Amirudin, 2023) investigated PT Kalbe Farma Tbk and discovered that both cash turnover and receivables statistically influence Return on Assets (ROA), indicating that effective cash management enhances asset efficiency in generating profits. Overall, these research findings demonstrate a strong relationship between effective cash turnover and increased corporate profitability. Therefore, in the context of PT Hutama Karya, cash turnover analysis is crucial to determine the extent to which cash management can be optimized to support sustainable profit growth.

Cash Flow From Operating Activities

Cash flow from operating activities describes the cash generated or used by the company's core operations (Situmorang *et al.*, 2023). Operating cash flow consists of cash derived from the company's main transactions, such as product sales and payments to suppliers. This cash flow reflects how effectively operational activities generate cash without the influence of investing and financing activities. Cash flow from operating activities is a specific type of profit generated from activities that affect the entity's success; therefore, this cash flow originates from events and transactions that may adversely affect profit (loss) determination (Rahayu *et al.*, 2024).

Cash Flow From Investing Activities

Cash flow from investing activities indicates cash used or obtained from the purchase and sale of fixed assets and the company's long-term investments. Research by (Rambe & Aslami, 2023) found that investing cash flow negatively affects the profitability of PT Waskita Karya. This aligns with (Aminin, 2024) findings, which indicate that investing cash

flow has a significant negative effect on financial performance in investment sector companies.

Cash Flow From Financing Activities

Cash flow from financing activities reflects cash derived from financing sources such as loans and stock issuance. Recent studies show that financing cash flow positively influences a company's financial performance. (Halawa *et al.*, 2024) found that financing cash flow affects Return on Assets (ROA) in banking companies. (Monetaris, 2023) also demonstrated a positive impact of financing cash flow on company liquidity and profitability. Additionally, (Bungadira *et al.*, 2024) confirmed that financing cash flow affects stock returns in food and beverage companies. Therefore, financing cash flow is important for improving corporate performance and value, including at PT Hutama Karya.

Research Methodology

This study employs a descriptive qualitative approach aimed at analyzing the cash inflow and outflow systems and their impact on the growth of PT Hutama Karya (Persero).

Types and Sources of Data

The data Used in this study are secondary data obtained from:

- 1) The financial statements of PT Hutama Karya (persero) for the years 2020-2024, accessible through the official website of the Indonesia stock Exchange (IDX) in PDF format,
- 2) Academic literature and journals related to accounting information systems and cash management.

Data Collection Techniques

Data collection was conducted through:

- 1) Documentary Study, Which involved collecting and analyzing data from financial and annual reports available on the IDX,
- 2) Literature review, aimed at developing theoretical and analytical skills relevant to the research topic.

Data Analyiss Techniques

The data were analyzed using descriptive analysis methods, wich aim to explain the inflows and outflows of cash and their relationship to company performance. The analysis was carried out by:

- 1) Interpreting the cash flow statements based on operating, investing, and financing activities.
- 2) Evalusting the company’s financial performance over the years.

Results and Discussion

Results

Cash Flow Turnover from Operating, Investing, Financing Activities, and Cash Equivalents to Improve Profitability at PT Hutama Karya. PT Hutama Karya (Persero) is a state-owned enterprise (SOE) engaged in the construction and infrastructure development sector, particularly in the toll road construction industry. Since its establishment in 1961, the company has played a significant role in numerous strategic national projects, such as

the development of the Trans-Sumatra Toll Road (JTTS), which aims to strengthen connectivity between local communities and surrounding regions across the island of Sumatra. As a government-owned construction company, PT Hutama Karya is involved in national infrastructure development. In addition to toll road construction, the company also operates in the property sector, construction material manufacturing, as well as engineering, procurement, and construction (EPC) services. The consolidated statement of cash flows of PT Hutama Karya (Persero) and its subsidiaries for the 2020–2024 period reveals notable dynamics in the management of cash flows from operating, investing, and financing activities. The primary focus is to understand the Company’s ability to generate cash from operating activities, its investment strategies, and its reliance on external financing.

Net Cash Flow by Activity

Summary Table of Consolidated Cash Flows of PT Hutama Karya (Persero) and Subsidiaries, 2020–2024 (in millions of Rupiah).

Table 2. Consolidated Cash Flows of PT Hutama Karya (Persero)

Year	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents Net Increase (Decrease)	Ending Balance of Cash and Cash Equivalents
2020	(1.873.845)	(14.604.964)	19.298.434	2.819.605	11.130.641
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Consolidated Cash Flow Diagram of PT Hutama Karya (Persero) and Its Subsidiaries, 2020–2024 (in millions of Rupiah).



Figure 1. Chart Title

Discussion

During the 2020–2024 period, net cash flows from operating activities consistently recorded negative results. The operating deficit reached IDR (1,873,845) million in 2020 and continued through 2024, with a deficit of IDR (1,956,110) million. This indicates that the company’s core operations have not yet been able to generate positive cash flows—an unfavorable indicator of operational efficiency. Financial expenses, as well as payments to suppliers and employees, were the main components depleting cash, suggesting that the company’s operational activities are not yet self-sustaining. This

situation can be interpreted through several theories and is supported by prior studies. According to signaling theory, companies use financial information as a signal to investors about future prospects. Consistently negative operating cash flows can be interpreted as a negative signal regarding the company's operational efficiency and financial risk (Dirman, 2020). This is reinforced by (Emilia Fitriani *et al.*, 2024) who found that operating cash flow significantly affects financial distress. Similarly, a study by (Nur Tiyas Abdul Rahim *et al.*, 2023) demonstrated that negative operating cash flows significantly increase the likelihood of a company experiencing financial distress. Cash flows from investing activities also exhibited a consistently negative trend. For five consecutive years, the company recorded substantial cash outflows for investments, particularly in toll road concessions and the acquisition of fixed assets. The highest outflow occurred in 2024, amounting to IDR (19,437,739) million. This reflects a long-term strategic focus on infrastructure development.

However, without the support of positive operating cash flows, this strategy heavily relies on external financing. This situation can be explained using the theory of *Irreversible Investment under Uncertainty*, which posits that large investments—such as infrastructure development—are irreversible and made under conditions of uncertainty. As such, firms tend to rely on external financing when internal cash flow is insufficient (Dixit & Pindyck, 2019). This is supported by (Yuniar *et al.*, 2024) who concluded that while cash flows from investing activities are negative, cash flows from financing activities have a positive effect on mitigating financial distress. The company's business operations are highly dependent on financing cash flows due to deficits in both operating and investing activities. Over the last five years, financing cash flows have consistently been positive, peaking at IDR 23,909,976 million in 2021 and IDR 22,365,371 million in 2023. These funds were sourced from government capital injections and both short-term and long-term loans. This reliance on external funding warrants careful attention, as it may increase the company's financial risk in the future if not supported by healthy

operating cash flows. (Sandika *et al.*, 2023) showed that while leverage significantly impacts financial distress, financing cash flows do not directly affect distress. This implies that overreliance on debt can increase the company's financial instability. Despite the negative trends in both operating and investing cash flows, the company's end-of-year cash and cash equivalents position remained stable—or even improved—from IDR 11,130,641 million in 2020 to IDR 36,769,029 million by the end of 2024. This indicates the company's success in securing financing to maintain liquidity. Although operational and investment activities faced challenges, the company was able to sustain its liquidity by effectively managing its cash and equivalents. (Monetaris, 2023) found that while cash flows from operations and investments did not significantly affect the current ratio, financing cash flows had a positive and significant impact. Nevertheless, when combined, all three types of cash flows contribute positively and significantly to the current ratio, indicating the importance of comprehensive cash flow management in maintaining corporate liquidity.

A study by (Huang *et al.*, 2022) examined the impact of operating cash flows on the survival and longevity of financially distressed firms. The findings suggest that positive operating cash flows significantly improve a company's chances of surviving and recovering from financial difficulties. This underscores the importance of strong operating cash flows as an indicator of operational efficiency and business sustainability. Additionally, a report from the (EDHEC Infrastructure Institute-Singapore, 2016) discussed the dynamics of cash flows in private infrastructure projects. The report noted that infrastructure projects typically experience negative cash flows in the early stages due to high upfront costs and unstable revenues. This aligns with PT Hutama Karya's long-term infrastructure development strategy, despite experiencing negative cash flows from investing activities.

Conclusion

Based on the analysis of PT Hutama Karya (Persero)'s cash management system, it can be concluded that the company continues to make progress toward achieving positive operating cash flows during the 2020–2024 period. Although operational and investment activities have had negative impacts, the business has managed to maintain liquidity through effective external financing strategies. This highlights the importance of a well-structured cash inflow and outflow system, supported by an accounting information system and internal controls that aid in enhancing financial decision-making. Since 2023, improved cash management has been shown to contribute to increased corporate profitability. Therefore, the cash system functions not only as a tool for conducting financial transactions but also as a strategic instrument for managing funds to support corporate growth. To enhance cash efficiency and ensure financial sustainability, PT Hutama Karya is advised to maximize operational efficiency in order to consistently generate positive operating cash flows. The company should also develop a more integrated and digitally-based accounting information system to improve the accuracy and transparency of financial transactions. In addition, strengthening internal controls particularly in cash handling procedures is essential to minimize the risk of fund misappropriation. A comprehensive evaluation of the company's investment strategies should also be conducted to ensure that the use of cash for investment activities aligns with operational capabilities and offers a clear perspective on value creation and long-term growth.

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