Eduvest – Journal of Universal Studies
Volume 5 Number 9, September, 2025
p- ISSN 2775-3735- e-ISSN 2775-3727

Scenario Planning Analysis of Companies that Help Save Other Companies Experiencing Financial Distress

Bagas Azhar Pratama, Willem A. Makaliwe
Universitas Indonesia, Indonesia
Email: pratama.bagas.a@gmail.com

ABSTRACT

This study develops strategic scenarios through in-depth interviews and thematic analysis to formulate rescue measures for a financially distressed company, focusing on the integration of PT B (Persero) Tbk into PT A (Persero). The analysis generated 11 combined scenarios categorized into three outlooks—pessimistic, moderate, and optimistic—that underpin financial and key ratio projections. These projections are used for company valuation through the Scenario Discounted Cash Flow (SDCF) approach, employing both levered and unlevered Discounted Cash Flow (DCF) and constant growth models. Differences among scenarios hinge on factors such as integration continuity, market optimism, cost efficiency, and restructuring success, which directly influence profitability, solvency, and liquidity. The optimistic scenario forecasts successful integration and full financial recovery; the moderate scenario shows limited improvement with ongoing risks; and the pessimistic scenario highlights PT A operating independently. This study provides valuable strategic insights for policymakers in designing restructuring policies, risk mitigation, and business continuity plans. Its originality lies in combining scenario planning, financial ratio analysis, and SDCF-based valuation to assess distressed companies—an approach uncommon in research on Indonesia's construction sector.

KEYWORDS *Scenario Planning, Scenario Discounted Cash Flow, Financial Distress, Valuation*

INTRODUCTION

Scenario Planning, as introduced by Herman Kahn in 1976 is a strategic approach to anticipate various future possibilities to support decision-making in situations of uncertainty (Kahn et al., 1970). This approach integrates historical data, trends, and assumptions to evaluate alternative scenarios by considering long-term opportunities and risks. Thus, scenario planning serves as a baseline to increase the company's resilience in the face of unexpected changes and create a sustainable competitive advantage (Bouhalleb & Smida, 2020). In context financial distress, scenario planning Role in identifying potential financial scenarios to design effective mitigation measures (Oliver & Parret, 2017). Financial projections are an important part of this approach, as they reflect the impact of each scenario on the company's performance, becoming the basis for strategic decision-making and in assessing the company (González Jiménez & Blanco Pascual, 2008).

One of the relevant valuation methods is Discounted Cash Flow (DCF), which when combined with scenario planning Resulting in an approach Scenario Discounted Cash Flow (SDCF). This approach allows for a more comprehensive valuation analysis through optimal, moderate, and pessimistic scenarios, each with different cash flow projections. This approach provides a more comprehensive insight into risks and opportunities, especially in the context of corporate restructuring (Buttignon, 2020).

In Europe, 31.3% of service companies went bankrupt in 2007–2015 (Iwasaki & Kočenda, 2020), while in Slovakia 160 construction companies went bankrupt during 2016–2020 (Elexa et al., 2023). This is due to the construction industry, including sectors with high failure rates due to economic fluctuations and political dynamics (Enshassi et al., 2006).

Table 1. Altman Z-Score 5 SOEs

Year 2024	Working Capital/Total Asset	Retained Earning/Total Asset	EBIT/Total Asset	Book Equity/Total Liabilities	Z-Score	Zone
	A	B	C	D		
	6,56	**3,26**	**6,72**	**1,05**		
PT A	0,15	0,02	0,01	2,38	3,66	Safe
PT D	0,18	(0,08)	0,01	0,23	1,22	Distress
PT B	(0,03)	(0,19)	(0,01)	0,11	(0,71)	Distress
PT E	0,11	0,08	0,04	0,37	1,66	Grey Zone
PT C	0,07	0,07	0,03	0,38	1,32	Grey Zone

Source: Audited Financial Statements 2024 5 SOEs, Processed.

Based on table 1 which takes into account the value financial distress with the calculation of the Altman (1993) shows two companies are in the zone distress, two in grey zone, and only PT A in safe zone. PT B shows the worst condition with Z-score -0,71. PT B experienced a financial crisis and defaulted on interest and maturing debts, prompting debt restructuring worth IDR 26.2 trillion since 2021 (CNBC.com, 2024). In 2024, the company again signed a USD 1.7 billion restructuring agreement with 21 banks (bloomberg.com, 2024). However, PT B still faces a stock suspension since May 2023 and risks delisting If the suspension lasts for two years, but the management remains committed to restoring operational stability (pwc.com, 2024).

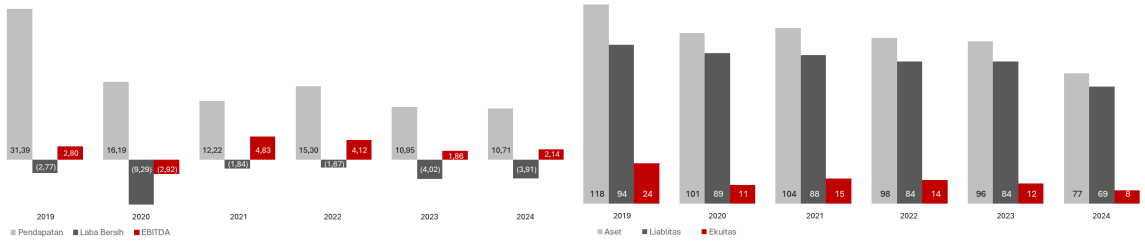

Figure 1. Historical Financial Performance Profile of PT B 2019-2024
Source: Financial Report of PT B 2019-2024

Meanwhile, PT A as a construction services state-owned enterprise that focuses on the Trans Sumatra Toll Road (JTTS) project through its four business segments managed to reverse the condition from a loss in 2021 to a profit of IDR 1.87 trillion in 2023, after the Covid-19 pandemic. PT A experienced financial restructuring in 2020-2021 due to losses in the EPC and property segments as well as the recomposition of BUJT's debt through the divestment mechanism or asset recycling toll road section. After that, PT A's financial capacity and performance improved with a significant increase in Net Profit, Assets, and Equity (Internal documents; PTA.com, 2025).

Figure 2. Historical Financial Performance Profile of PT A 2019-2024
Source: Financial Statements of PT A 2019-2024

In accordance with the directions from the Decree of the Minister of SOEs No. SK-318/MBU/11/2023, the Letter of the Minister of SOEs No. SR-25/MBU/Wk.R/01/2024, and the Minutes of the Internal Meeting of the President of the Republic of Indonesia, the Government plans to cluster Karya SOEs to improve competition in this industry. One of the main plans is the integration between PT A and PT B, where PT A will become a holding company and PT B will become a subholding company.

Based on the 2023 BCG study, this clustering is important to create a healthier market and sustainable benefits by dividing seven companies into three specialization clusters. The first cluster focuses on toll roads and toll operations & management (PT A and PT B), the second cluster on airports and seaports (PT D and PT E), and the third cluster on rail & HSR and water & dams (PT C, PT F, and PT G). The three clusters also include the non-toll road sector, institutional buildings, residential and commercial, industry, mining, energy, and non-construction sectors such as toll road management and property development.

This clustering process is expected to improve operational efficiency by reducing duplication of project management, strengthening synergies between units, and increasing implementation Good Corporate Governance (GCG). The initial analysis shows that there are four aspects that can be optimized, namely financial improvement, strengthening governance, specialization and business scale, and competency development (BCG, 2023). On the other hand, the merger of PT B into PT A has the potential to disrupt the projected growth of PT A's financial performance over the next five years (2025-2029). Therefore, an analysis is required scenario planning using the SDCF method to assess whether the financial performance and value of PT A's company can be maintained after integration. This research aims to provide a scientific overview of the impact of the company's valuation as well as important assumptions that need to be considered to maintain PT A's financial performance in optimal conditions while anticipating potential threats in the future.

RESEARCH METHOD

This research was conducted with a descriptive qualitative approach that aims to explore and understand the phenomenon in depth through thematic analysis of the data obtained. This approach was chosen in order to capture various perspectives and contexts relevant to the research problem. In addition, a case study approach is also used to focus on the analysis of PT A and PT B as the main research objects, especially related to the restructuring process and integration plan of the two companies. The two companies were chosen because they have similar business characteristics and are currently experiencing significant strategic dynamics. In addition, the research object also involved resource persons who have experience and expertise in the fields of corporate management, finance, and restructuring, who provided primary data through in-depth interviews with semi-structured question formats and open-ended questions.

Data is collected through two main sources, namely primary data and secondary data. Primary data was obtained through interviews with stakeholders who are directly related to the research topic. The criteria for respondents in this interview include relevant expertise and experience, including having experience in the field of infrastructure and restructuring and having been involved in the preparation of financial projections. In addition, respondents must understand the infrastructure industry, especially state-owned enterprises, with at least 10 years

of work experience and have a formal education background of at least strata two (S-2). From these criteria, 7 main respondents were obtained who will be interviewed in the study.

In addition to primary data, this study also utilizes secondary data in the form of historical information and official company documents that function as a complement to the analysis and validation of research findings. The secondary data includes the audited financial statements of PT A and PT B for the period 2019 to 2024. In addition, the audited financial statements of other SOEs such as PT E (Persero) Tbk, PT D (Persero) Tbk, and PT C (Persero) Tbk during 2023-2024 are also used to enrich comparative analysis. This research also refers to the draft of the Corporate Long-Term Plan (RJPP) of PT A and PT B for the period 2025-2029 and the assumptions used in its preparation.

The financial statement analysis method includes evaluating the company's profitability, solvency, and liquidity. Profitability analysis measures a company's ability to generate profits, solvency assesses the ability to meet long-term obligations, and liquidity measures the ability to meet short-term obligations. These three aspects provide a comprehensive overview of the company's financial condition to support effective decision-making. Here are the profitability, solvency, and liquidity formulas used in the research:

Table 2. Financial Ratio Formula

Profitability	
Revenue	$Total\ Sales\ or\ Revenue$
Earning After Tax	$EAT = EBIT - Interest\ Cost - Tax$
EBITDA	$EBIT + Depresiasi + Amortisasi$
Return on Invested Capital	$ROIC = (EBIT \times (1 - Tax)) / Total\ Invested\ Capital$
Net Profit Margin	$NPM = (EAT / Revenue) \times 100\%$
Gross Profit Margin	$GPM = (Gross\ Profit / Revenue) \times 100\%$
Return on Assets	$ROA = (EAT / Total\ Asset) \times 100\%$
Return on Equity	$ROE = (EAT / Total\ Equity) \times 100\%$
Solvency	
Working Capital	$Current\ Asset - Current\ Liability$
Equity	$Total\ Asset - Total\ Liability$
Debt to Equity Ratio	$DER = Total\ Liability / Total\ Equity$
Debt to Asset Ratio	$DAR = Total\ Liability / Total\ Asset$
Interest Coverage Ratio	$ICR = EBIT / Interest\ Cost$
Debt Service Coverage Ratio	$DSCR = EBITDA / (Interest\ Cost + CPLTD)$
Debt to EBITDA	$Total\ Liability / EBITDA$
Economic Value Added	$EVA = ROIC - WACC$
Altman Z-Score (1993) Non-Manufacturing and *emerging markets*	$Z = 6.56A + 3.26B + 6.72C + 1.05D$ Where: A = *working capital / total assets* B = *retained earnings / total assets* C = *earnings before interest and tax / total assets* D = *book value of equity / total liabilities*
Liquidity	
Ending Cash	$Beginning\ Cash + Net\ Cash\ Flow$
Net Operating Profit After Tax	$EBIT \times (1 - Tax)$
Cash Flow to Assets	$Operational\ Cash\ Flow / Total\ Asset$
Free Cash Flow to Firm	$NOPAT + Depreciation\ \&\ Amortization - \Delta\ Working\ Capital - Capex$
Free Cash Flow to Equity	$FCFF - Interest\ Cost \times (1 - Tax) + Change\ in\ Net\ Debt$
Cash Ratio	$(Cash\ and\ Cash\ Equivalent) / Current\ Liability$
Quick Ratio	$(Current\ Asset - Inventory) / Current\ Liability$

Source: Various Sources.

Furthermore, the company's valuation method follows the DCF method. According to Damodaran (2012), is a valuation method that values an asset or company based on the present

value of projected future cash flows, taking into account risk through an appropriate discount rate. Here is the valuation formula with the DCF method:

$$DCF = \sum_{t}^{n} \frac{Free\ Cash\ Flow}{(1+r)^t} + \frac{Terminal\ Value}{(1+r)^n}$$

Where *the Terminal Value* is used *by the Perpetuity Growth Model* with the following formula:

$$Terminal\ Value = \frac{FCF_n \times (1+g)}{r-g}$$

While the second DCF is by using the *Constant Growth* DCF method as follows:

$$Constant\ Growth\ DCF = \sum_{t}^{n} \frac{Free\ Cash\ Flow}{(WACC-g)}$$

Of the two formulas, they are divided into two, namely unlevered and levered. Where unlevered DCF uses Free Cash Flow to the Firm (FCFF) on the calculation free cash flow and levered DCF uses Free Cash Flow to Equity (FCFE) on the calculation free cash flow.In terms of this research, Free Cash Flow (FCF) is the company's net cash flow generated after deducting all operating expenses such as changes working capital, capital expenditure, Add-on amortization depreciation and changes in net debt.

Triangulation was carried out to test the validity of this study. Triangulation is a data validation technique in qualitative research that utilizes various sources, methods, theories, or researchers to increase the credibility of findings through verification from various perspectives. The interactive analysis approach encourages simultaneous data collection and analysis, including clarification during interviews to deepen understanding. The validity of the data is also maintained through triangulation between informants with cross-checking without revealing identity, so as to confirm the suitability or difference of opinion and improve the reliability of the research results (Miles et al., 2014).

RESULTS AND DISCUSSION

The analysis in this study begins by reviewing the performance of companies, both PT A and PT B. PT A's financial performance can be seen in Figure 2 showing a decrease in revenue during 2019–2021 due to the Covid-19 pandemic, but has begun to recover since 2022 to reach IDR 30.3 trillion in 2024 in line with the continuation of the JTTS project and the support of State Capital Participation (PMN) which encourages asset expansion and a significant increase in equity. Net profit was negative due to a surge in financial expenses and operating expenses, but turned positive in 2023-2024 supported by operational improvements and efficiency of interest expense due to a decrease in debt whose source of funds was obtained through corporate actions to divest toll assets. In terms of cash flow, PT A has solid cash equivalents ranging from IDR 8.2 – 39.1 trillion. The cash is sourced from PMN which is a form of government commitment to building JTTS. Although on the other hand, operating cash flow was negative due to the dominance of JTTS construction projects.

Executive Summary (Rp Miliar)	2019	2020	2021	2022	2023	2024
Laba Rugi						
Pendapatan	26.392	23.401	20.485	24.082	26.926	30.252
% HPP	*86,18%*	*91,81%*	*88,52%*	*85,00%*	*91,24%*	*85,87%*
Beban Umum, Adm, dan Penjualan	(826)	(1.199)	(686)	(835)	(942)	(1.262)
Laba Asosiasi dan Ventura Bersama	233	66	170	144	175	452
Pendatapan (Beban) Lain-lain, bersih	(71)	(277)	(485)	(161)	3.465	(177)
Beban Keuangan	(811)	(2.554)	(3.085)	(2.498)	(2.040)	(1.644)
Laba Bersih	2.023	(2.035)	(2.408)	(445)	1.873	2.767
EBITDA	4.222	2.097	2.850	4.107	3.553	4.288
Posisi Keuangan						
Aset	91.648	114.111	132.918	156.319	169.739	196.042
Hutang Berbunga	41.925	50.766	49.657	49.001	34.481	35.664
Liabilitas	68.689	82.117	78.109	70.537	53.115	58.042
Ekuitas	22.959	31.995	54.809	85.782	116.624	138.000
Arus Kas						
Arus Kas Operasi	1.252	(1.874)	(252)	(13)	(2.256)	(1.956)
Arus Kas Investasi	(29.303)	(14.605)	(13.582)	(17.208)	(14.782)	(19.438)
Arus Kas Pendanaan	31.715	19.298	23.909	29.502	22.365	19.069
Kas Setara Kas Akhir	8.242	11.131	21.205	33.656	39.060	36.769

Figure 3. Historical Financial Performance of PT A 2019-2024
Source: Financial Statements of PT A 2019-2024

Executive Summary (Rp Miliar)	2019	2020	2021	2022	2023	2024
Laba Rugi						
Pendapatan	31.387	16.190	12.224	15.302	10.955	10.705
% HPP	*82,14%*	*93,49%*	*84,47%*	*90,53%*	*94,43%*	*86,77%*
Beban Umum, Adm, dan Penjualan	(1.372)	(4.724)	(2.081)	(1.919)	(1.855)	(1.652)
Laba Asosiasi dan Ventura Bersama	(290)	(649)	(322)	1.078	(280)	207
Pendatapan (Beban) Lain-lain, bersih	767	(219)	3.512	2.022	1.500	(102)
Beban Keuangan	(3.621)	(4.877)	(4.840)	(4.287)	(4.420)	(4.339)
Laba Bersih	1.029	(9.288)	(1.096)	(1.673)	(4.018)	(3.914)
EBITDA	5.094	(2.930)	329	(515)	(620)	868
Posisi Keuangan						
Aset	117.999	100.768	103.602	98.232	95.596	77.160
Hutang Berbunga	70.888	65.034	67.871	64.670	46.248	40.008
Liabilitas	94.237	89.339	88.140	83.988	83.994	69.276
Ekuitas	23.762	11.429	15.461	14.245	11.596	7.866
Arus Kas						
Arus Kas Operasi	9.014	411	193	(107)	2.324	(2.384)
Arus Kas Investasi	(14.925)	(1.056)	(1.542)	(2.152)	(2.519)	1.487
Arus Kas Pendanaan	4.335	(7.407)	13.334	(8.103)	(685)	2.426
Kas Setara Kas Akhir	9.258	1.213	13.166	2.221	1.340	2.516

Figure 4. Historical Financial Performance of PT B 2019-2024
Source: Financial Report of PT B 2019-2024

Based on Figure 4, PT B's financial performance showed a significant decline, with revenue decreasing from IDR 31.39 trillion in 2019 to IDR 10.71 trillion in 2024 due to changes in business strategy, bad reputation, tender defeats, and blacklists. Assets shrank 35% to Rp77.16 trillion, in line with the divestment of several toll roads and a decrease in project value. The company recorded a net loss since 2020, the highest of IDR 9,288 billion, due to operational inefficiencies, high operating and financial expenses, and association losses. Fluctuating operating cash flow and deficit in 2024 amounted to Rp-2,384 billion, covered by positive investment cash flow from toll divestment. Dependence on external financing peaked in 2021 with refinancing of IDR 50 trillion, signaling a restructuring phase. Despite

successfully reducing interest-bearing debt to IDR 40.01 trillion and recording a positive EBITDA of IDR 868 billion in 2024, PT B still faces high solvency risks with a liability-to-assets ratio of 89.7% and a net loss of IDR 3,914 billion.

The next analysis was carried out with in-depth-interview. Result in-depth-interview Five cross-agency speakers showed diverse views on the integration plan of PT A and PT B, with one interviewee rejecting, three agreeing with conditions, and one strongly supporting. Verification is carried out through direct confirmation, explicit questions, and cross-checking between answers to maintain data quality. Analysis yields 54 keywords which are grouped into seven main themes based on similar and/or similar categories, with the most dominant themes being Business Strategy and Synergy (40 mentions), followed by Markets and Economy (34), and Finance and Investment (31), which reflects the focus of the discussion on the effectiveness of integration, market dynamics, and financial restructuring efforts after the PT B crisis.

The theme of Business Strategy and Synergy includes integration approval rates, decreasing company sizing, HR synergy & employee efficiency, cost efficiency strategies, synergies (assets, vendors and subcontractors), involvement of other SOEs and new investors. The theme of Market and Economy includes budget efficiency, new markets, agricultural markets, downstream markets, market fluctuations, declining existing markets, market optimism and pessimism, and people's economic capabilities. While the theme of Finance and Investment is dominated by a discussion of how to take steps to restructure PT B in relation to PT A, more detailed is to discuss such as capital injection both from the side of PT A and PT B, the existence of investment return gaps, investment sustainability gaps, interest payment gaps, debt repayment gaps, high debt levels, the concept of margin certainty, margin returns, and capital structure. In addition, there are also other main theme centrifuges, namely Policy and Regulation, Risk Management and Evaluation, Asset Management and Operations, and Organization and Human Resources.

Coding and clustering results in-depth-interview resulting in 11 scenarios that have a direct impact on financial projections, which are then combined into three conditions: optimistic, moderate, and pessimistic. If the integration of PT A-PT B does not continue, then the pessimistic scenario describes PT A remaining independent without synergy support.

No	Scenario	Pesimis	Moderat	Optimis
1	Keberlanjutan Integrasi PT A & PT B	⊗	☑	☑
2	Optimisme Market	⊗	⊗	☑
3	Keberlanjutan JTTS	⊗	⊗	⊗
4	New Market (Pangan, Hilirisasi, KPBU, dst)	☑	⊗	☑
5	Sizing Perusahaan Turun	☑	☑	☑
6	Capital Injection PT A	⊗	⊗	⊗
7	Capital Injection PT B	⊗	⊗	☑
8	Penyehatan Keuangan PT B	⊗	☑	☑
	a. Divestasi Aset PT B	⊗	☑	☑
	b. Downsizing Hutang	⊗	☑	☑
	c. Penurunan Rate Pinjaman	⊗	☑	☑
9	Efisiensi Beban Usaha & Pengurangan Karyawan	☑	☑	☑
10	Harga Wajar Konstruksi (NPM)	☑	☑	☑
11	Dukungan Jalan Tol	☑	☑	☑

Figure 5. Codification and Clustering of Interview Results
Source: Prepared Author.

Eleven main scenarios resulting from the interview clustering process describe various conditions that affect financial projections, ranging from the sustainability scenario of PT A-PT B integration which occurs in optimistic and moderate conditions, to pessimism that only leaves PT A independently. Optimism for the market only occurs in optimistic conditions with an increase in new contracts, while moderate conditions are stagnant. The government's policy direction also has the opportunity to create new markets through the food, downstreaming, and PPP sectors. The JTTS project was agreed not to continue under all conditions, in line with the pessimism of the sources, followed by a scenario of declining company production sizing and the absence of PMN at PT A. On the other hand, capital injection for PT B is only possible in optimistic conditions, while restructuring measures such as asset divestment, debt reduction and interest rates apply to moderate and optimistic conditions. Efficiency of operating expenses and reduction of employees are a must in all conditions, as well as fair price support through GPM of at least 10%, and support for toll roads such as tariff increases, concession extensions, and fiscal incentives as part of the latter scenario.

Based on the eleven scenarios that have been formed, a report on the company's financial projections and valuation is obtained which will be further explained in Figure 6, Figure 7, and Figure 8.

Executive Summary (Rp Miliar)	Optimis				
	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
Laba Rugi (Rp Bn)					
Pendapatan (NJO)	37.417	38.842	31.135	27.394	27.473
% HPP (NJO)	*86,36%*	*86,93%*	*85,69%*	*84,04%*	*83,49%*
EBITDA	5.366	6.058	5.418	5.539	5.486
EAT	**184**	**196**	**218**	**541**	**645**
Posisi Keuangan (Rp Tn)					
Total Aset	274	273	273	265	246
Total Liabilitas	113	114	109	97	78
Total Ekuitas	161	159	163	168	168
Interest Bearing Debt	79	77	72	64	53
Arus Kas (Rp Tn)					
Arus Kas Operasi	(1)	(2)	2	4	4
Arus Kas Investasi	(4)	(3)	5	(0)	0
Arus Kas Pendanaan	7	(1)	4	(3)	(11)
Kas dan Setara Kas	44	38	49	50	44

Figure 6. Financial Projection Report Optimistic Conditions
Source: Prepared Author.

Executive Summary (Rp Miliar)	Moderat				
	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
Laba Rugi (Rp Bn)					
Pendapatan (NJO)	36.417	36.842	28.635	24.794	24.573
% HPP (NJO)	*86,32%*	*86,87%*	*85,67%*	*83,63%*	*82,96%*
EBITDA	5.246	5.818	5.068	5.227	5.138
EAT	**90**	**145**	**119**	**447**	**560**
Posisi Keuangan (Rp Tn)					
Total Aset	274	273	266	251	232
Total Liabilitas	113	114	109	96	76
Total Ekuitas	161	159	157	156	156
Interest Bearing Debt	79	77	72	64	53
Arus Kas (Rp Tn)					
Arus Kas Operasi	(1)	(2)	2	5	4
Arus Kas Investasi	(4)	(3)	5	(0)	0
Arus Kas Pendanaan	7	(1)	(3)	(9)	(11)
Kas dan Setara Kas	44	39	43	38	32

Figure 7. Financial Projection Report with Moderate Conditions
Source: Prepared Author.

Executive Summary (Rp Miliar)	Moderat				
	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
Laba Rugi (Rp Bn)					
Pendapatan (NJO)	36.417	36.842	28.635	24.794	24.573
% HPP (NJO)	*86,32%*	*86,87%*	*85,67%*	*83,63%*	*82,96%*
EBITDA	5.246	5.818	5.068	5.227	5.138
EAT	**90**	**145**	**119**	**447**	**560**
Posisi Keuangan (Rp Tn)					
Total Aset	274	273	266	251	232
Total Liabilitas	113	114	109	96	76
Total Ekuitas	161	159	157	156	156
Interest Bearing Debt	79	77	72	64	53
Arus Kas (Rp Tn)					
Arus Kas Operasi	(1)	(2)	2	5	4
Arus Kas Investasi	(4)	(3)	5	(0)	0
Arus Kas Pendanaan	7	(1)	(3)	(9)	(11)
Kas dan Setara Kas	44	39	43	38	32

Figure 8. Financial Projection Report on Pessimistic Conditions

Source: Prepared Author.

Based on financial projections under optimistic conditions, PT A's revenue had increased in 2025–2026 but declined significantly after the JTTS project ended, reflecting the reduction of the project backlog and the efficiency of the government's budget. Nevertheless, efficiency efforts through reduced HPP and operating expenses had a positive impact on the significant growth in ETA. The financial structure showed improvement with a decrease in interest-bearing debt, PMN support, and operating cash flow that turned positive starting in 2027, indicating a strong performance recovery. In the moderate scenario, revenue fluctuates and decreases until 2029, but efficiency is maintained with a decrease in HPP and stable EBITDA. EAT continued to grow at a higher CAGR than optimistic conditions due to operational efficiency and lower interest expenses, despite the absence of PMN support. The financial position remained stable despite negative funding cash flows, while the cash balance declined due to the absence of additional external funds and the payment of interest-bearing debt. Meanwhile, in pessimistic conditions, revenue decreased sharply due to low acquisition of new contracts, but cost efficiency managed to maintain profitability. EAT continued to grow albeit moderately, supported by operational efficiency and operating expenses. Total assets and cash declined, but equities remained stable, reflecting capital resilience. Although funding cash flow shrank drastically, PT A was still able to maintain liquidity amid severe construction market challenges.

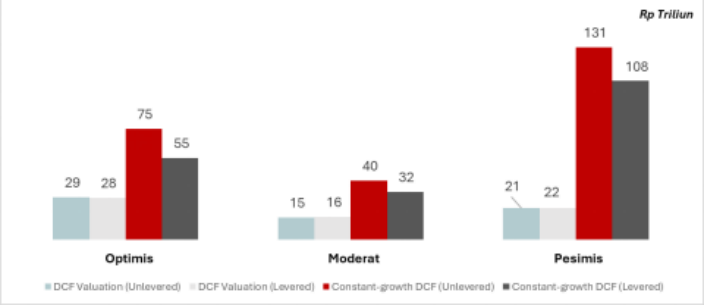

Figure 9. Company Valuation Comparison Chart

Source: Prepared Author.

Figure 9 shows a comparison of valuation results using the DCF and Constant-Growth DCF methods in two scenarios, namely the merger scenario between PT A and PT B, and the scenario of PT A as a single entity (stand alone). This comparison is compiled based on three projection conditions, namely optimistic (consolidation with high performance), moderate (consolidation with moderate performance), and pessimistic (PT A as a single entity).

In an optimistic and moderate scenario, the company's value reflects the combined contribution of PT A and PT B, assuming PT A's performance remains the same as in

pessimistic conditions. The difference in value between optimistic and moderate conditions reflects the influence of PT B's financial projections on valuation results. In the traditional DCF (unlevered) approach, the company's value decreased from IDR 28.76 trillion in optimistic conditions to IDR 15.14 trillion in moderate conditions. Meanwhile, in pessimistic conditions (PT A stand alone), the company's value reached IDR 21.43 trillion. A similar trend can also be seen in the levered DCF approach, which shows that the contribution of PT B's performance in moderate conditions actually has a negative impact on the consolidated value.

On the other hand, the DCF constant-growth method shows a more significant difference. In optimistic conditions, the unlevered valuation reached IDR 75.16 trillion and decreased to IDR 39.95 trillion in moderate conditions. However, in pessimistic conditions (PT A stand alone), the company's value is even higher, which is IDR 130.53 trillion. These findings indicate that without integration, the value of the company can be higher if the entity to be integrated actually makes a negative contribution. Therefore, these results confirm the importance of a thorough due diligence process before consolidation. Without an improvement in the performance of the integrated entity, the merger process has the potential to reduce the overall value of the company.

Rasio Keuangan (Rp Miliar)	Optimis				
	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
Profitabilitas					
Revenue	37.417	38.842	31.135	27.394	27.473
EAT	184	196	218	541	645
EBITDA	5.366	6.058	5.418	5.539	5.486
Return on Invested Capital (ROIC)	1,2%	1,3%	1,1%	1,1%	1,3%
Net Profit Margin (NPM)	0,5%	0,5%	0,7%	2,0%	2,3%
Gross Profit Margin (GPM)	13,6%	13,1%	14,3%	16,0%	16,5%
ROA (Return on Assets)	0,1%	0,1%	0,1%	0,2%	0,3%
ROE (Return on Equity)	0,1%	0,1%	0,1%	0,3%	0,4%
Solvabilitas					
Working Capital	43.477	44.720	57.639	60.992	58.200
Ekuitas	161.073	158.703	163.409	168.427	168.456
Interest Bearing Debt to Equity Ratio (DER)	49%	49%	44%	38%	31%
Debt to Asset Ratio (DAR)	41%	42%	40%	36%	32%
Debt to EBITDA	2103%	1888%	2019%	1748%	1415%
Interest Coverage Ratio (ICR)	124%	122%	116%	134%	138%
Debt Service Coverage Ratio (DSCR)	50%	65%	101%	97%	46%
Weighted Average Cost of Capital (WACC)	7%	6%	5%	5%	5%
Economic Value Added (EVA)	-6%	-5%	-4%	-4%	-4%
Altman Z-Score	2,69	2,68	3,14	3,59	4,11
Likuiditas					
Ending Cash	44.135	38.497	49.064	50.189	43.757
Net Operating Profit After Tax (NOPAT)	2.878	2.991	2.543	2.654	2.770
Cash Flow to Assets	-0,4%	-0,6%	0,6%	1,7%	1,6%
Free Cash Flow to Firm (FCFF)	1.036	3.921	16.532	6.807	762
Free Cash Flow to Equity (FCFE)	(1.557)	8.060	15.858	5.384	864
Cash Ratio	100%	106%	157%	190%	200%
Quick Ratio	183%	206%	264%	306%	338%

Figure 10. Financial Ratio to Optimistic Conditions
Source: Prepared Author.

Rasio Keuangan (Rp Miliar)	Moderat				
	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
Profitabilitas					
Revenue	36.417	36.842	28.635	24.794	24.573
EAT	90	145	119	447	560
EBITDA	5.246	5.818	5.068	5.227	5.138
Return on Invested Capital (ROIC)	1,2%	1,2%	1,0%	1,1%	1,2%
Net Profit Margin (NPM)	0,2%	0,4%	0,4%	1,8%	2,3%
Gross Profit Margin (GPM)	13,7%	13,1%	14,3%	16,4%	17,0%
ROA (Return on Assets)	0,0%	0,1%	0,0%	0,2%	0,2%
ROE (Return on Equity)	0,1%	0,1%	0,1%	0,3%	0,4%
Solvabilitas					
Working Capital	43.383	44.576	51.196	48.254	45.377
Ekuitas	160.979	158.559	156.966	155.689	155.633
Interest Bearing Debt to Equity Ratio (DER)	49%	49%	46%	41%	34%
Debt to Asset Ratio (DAR)	41%	42%	41%	38%	33%
Debt to EBITDA	2148%	1959%	2143%	1829%	1479%
Interest Coverage Ratio (ICR)	120%	123%	111%	129%	134%
Debt Service Coverage Ratio (DSCR)	49%	64%	98%	94%	44%
Weighted Average Cost of Capital (WACC)	7%	6%	5%	5%	5%
Economic Value Added (EVA)	-6%	-5%	-4%	-4%	-4%
Altman Z-Score	2,68	2,68	2,89	3,07	3,54
Likuiditas					
Ending Cash	44.145	38.663	43.198	38.296	32.079
Net Operating Profit After Tax (NOPAT)	2.784	2.803	2.270	2.411	2.498
Cash Flow to Assets	-0,4%	-0,6%	0,7%	1,8%	1,8%
Free Cash Flow to Firm (FCFF)	849	3.683	9.960	269	405
Free Cash Flow to Equity (FCFE)	(1.244)	7.892	9.286	(1.154)	507
Cash Ratio	101%	108%	142%	151%	158%
Quick Ratio	183%	207%	247%	265%	293%

Figure 11. Financial Ratio to Moderate Conditions

Source: Prepared Author.

Rasio Keuangan (Rp Miliar)	Pesimis				
	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)
Profitabilitas					
Revenue	26.185	26.297	17.812	13.771	13.233
EAT	448	658	306	429	511
EBITDA	3.528	4.074	3.346	3.502	3.525
Return on Invested Capital (ROIC)	1,1%	1,1%	0,8%	0,8%	0,8%
Net Profit Margin (NPM)	1,7%	2,5%	1,7%	3,1%	3,9%
Gross Profit Margin (GPM)	13,7%	13,0%	14,4%	17,8%	18,8%
ROA (Return on Assets)	0,2%	0,3%	0,2%	0,2%	0,3%
ROE (Return on Equity)	0,3%	0,4%	0,2%	0,3%	0,3%
Solvabilitas					
Working Capital	35.079	33.434	34.085	33.498	32.188
Ekuitas	151.977	153.264	153.558	153.567	154.140
Interest Bearing Debt to Equity Ratio (DER)	21%	24%	23%	22%	22%
Debt to Asset Ratio (DAR)	23%	23%	23%	22%	20%
Debt to EBITDA	1301%	1147%	1351%	1225%	1060%
Interest Coverage Ratio (ICR)	119%	132%	101%	124%	133%
Debt Service Coverage Ratio (DSCR)	99%	59%	108%	146%	33%
Weighted Average Cost of Capital (WACC)	7%	6%	5%	4%	4%
Economic Value Added (EVA)	-6%	-4%	-4%	-4%	-3%
Altman Z-Score	4,78	4,71	4,83	5,02	5,59
Likuiditas					
Ending Cash	29.151	22.295	20.210	20.097	21.802
Net Operating Profit After Tax (NOPAT)	2.092	2.172	1.484	1.527	1.512
Cash Flow to Assets	-2,4%	-4,0%	-0,6%	1,2%	1,0%
Free Cash Flow to Firm (FCFF)	3.749	1.116	2.842	1.509	1.077
Free Cash Flow to Equity (FCFE)	1.156	5.255	2.168	86	1.179
Cash Ratio	168%	159%	209%	238%	194%
Quick Ratio	288%	323%	430%	471%	368%

Figure 12. Financial Ratio to Pessimistic Conditions

Source: Prepared Author.

Next, analyze financial ratios in three scenarios (optimistic, moderate, pessimistic). In optimistic, moderate, and pessimistic scenarios, the profitability ratio shows an improvement in operational efficiency even though revenue has decreased. The Return on Invested Capital (ROIC) was relatively stable in the range of 0.8%-1.3%, indicating the company's ability to maintain its return on investment despite pressure. Net Profit Margin (NPM) actually increased in all scenarios, even in pessimistic conditions reaching 3.9%, which indicates the company's success in controlling expenses despite declining revenue. The Gross Profit Margin (GPM)

also increased from around 13% to more than 16%–18% in all scenarios, reflecting the efficiency of the direct cost of production. Return on Assets (ROA) and Return on Equity (ROE) have increased moderately, indicating gradual efficiency in the utilization of assets and equity to generate profits.

The solvency ratio shows a trend of improvement in capital structure in optimistic and moderate scenarios, but a decline in performance in pessimistic scenarios. The Debt to Equity Ratio (DER) and Debt to Asset Ratio (DAR) declined in all scenarios, reflecting a reduced reliance on debt. However, the Debt to EBITDA ratio remains very high despite the decline, which indicates that the debt burden still far exceeds the ability to generate operating profit. The Interest Coverage Ratio (ICR) increased from around 120% to 134%-138% in optimistic and moderate scenarios, signaling an improvement in interest payability. However, the Debt Service Coverage Ratio (DSCR) had improved to 101% (optimistic) or 98% (moderate) but fell again in recent years, indicating the risk of a decline in overall debt repayment capacity. The Altman Z-Score increased and entered the safe zone in optimistic and near-safe scenarios in moderate, while the EVA remained negative in all conditions, suggesting the company still has not created positive economic value.

The liquidity ratio reflected in Working Capital shows an upward trend in the optimistic scenario, stagnant in moderate, and decreasing in the pessimistic scenario. In the optimistic scenario, Working Capital increased from IDR 43,477 billion to IDR 58,200 billion, indicating an increase in short-term obligation payment capacity. However, in a moderate scenario, despite fluctuations, the final value does not increase much from the initial value. Meanwhile, in a pessimistic scenario, Working Capital fell from IDR 35,079 billion to IDR 32,188 billion, reflecting the potential for deterioration of corporate liquidity. Overall, this ratio confirms that a pessimistic scenario carries the greatest risk to a company's liquidity.

CONCLUSION

Based on in-depth interviews and conceptual analysis, this study produced eleven scenarios grouped into pessimistic, moderate, and optimistic conditions for PT A and PT B's integration and restructuring. The pessimistic scenario, lacking stakeholder support, projects PT A operating with enhanced efficiency but reduced capacity, yielding a net profit (EAT) of IDR 448–511 billion and a DCF valuation up to IDR 21 trillion. The moderate scenario involves integration and PT B's financial restructuring, with an EAT of IDR 90–560 billion but a lowered DCF valuation of IDR 15.1–15.5 trillion. The optimistic scenario adds government support through capital injection and market expansion, leading to an EAT of IDR 184–645 billion and significantly higher valuations up to IDR 28.8 trillion (DCF) and IDR 75.2 trillion (Constant-Growth), despite anomalies in valuation due to high Cost of Equity and WACC. Future research should expand by involving higher-level cross-agency stakeholders, including ministers and agency heads, as well as representatives from related industries, banking, and investment sectors. Additionally, extending the financial projection period to match PT A's 40-year concession and conducting comparative analyses with similar domestic and international firms would deepen the study's insights and applicability.

REFERENCES

Altman, E. I. (1993). *Corporate financial distress and bankruptcy* (2nd ed.). John Wiley & Sons.

BCG. (2023). *Study on SOE clustering and market specialization in Indonesia's construction sector*. Boston Consulting Group.

Bouhalleb, A., & Smida, A. (2020). Exploring the relationship between scenario planning and strategic flexibility and complexity. *European Journal of International Management*, *14*(3), 476–493. https://doi.org/10.1504/EJIM.2020.107033

Buttignon, F. (2020). Distressed firm valuation: A scenario discounted cash flow approach. *Journal of Business Valuation and Economic Loss Analysis*, *15*(1). https://doi.org/10.1515/jbvela-2020-0002

CNBC Indonesia. (2024, October 22). PT B tandatangani 5 akta restrukturisasi utang dengan 15 bank kreditor. *CNBC Indonesia*. https://www.cnbcindonesia.com/market/20241022160657-17-582115/pt-b-tandatangani-5-akta-restrukturisasi-utang-dengan-15-bank-kreditor

Damodaran, A. (2012). *Investment valuation: Tools and techniques for determining the value of any asset* (3rd ed.). Wiley.

Elexa, L., Klement, L., & Hvolkova, L. (2023). Reasons for potential bankruptcy: Evidence from the construction industry in Slovakia. *Forum Scientiae Oeconomia*, *11*(2). https://doi.org/10.23762/FSO_VOL11_NO2_2

Enshassi, A., Al-Hallaq, K., & Mohamed, S. (2006). Causes of contractor's business failure in developing countries: The case of Palestine. *Journal of Construction in Developing Countries*, *11*, 1–14.

Harsono, N., & Suhartono, H. (2024, September 6). Indonesia's PT B signs $1.7 billion debt revamp. *Bloomberg*. https://www.bloomberg.com/news/articles/2024-09-06/indonesia-s-pt-b-signs-1-7-billion-debt-revamp-deal

Iwasaki, I., & Kočenda, E. (2020). Survival of service firms in European emerging economies. *Applied Economics Letters*, *27*(4), 340–348. https://doi.org/10.1080/13504851.2019.1616053

Kahn, H., Brown, W. M., Brown, W., & Martel, L. (1976). *The next 200 years: A scenario for America and the world*. Morrow.

Miles, M. B., Huberman, A. M., & Saldana, J. (2014). *Qualitative data analysis: A methods sourcebook*. Sage.

Oliver, J. J., & Parrett, E. (2017). Managing uncertainty: Harnessing the power of scenario planning. *Strategic Direction*, *33*(1), 5–6. https://doi.org/10.1108/SD-09-2016-0131

PricewaterhouseCoopers. (2024, November). Debt restructuring: PT B avoids delisting trap. *PwC Indonesia Infrastructure News*. https://www.pwc.com/id/en/media-centre/infrastructure-news/november-2024/debt-restructuring--pt-b-avoids-delisting-trap.html

PT A (Persero) Tbk. (2019–2024). *Laporan keuangan konsolidasian untuk tahun yang berakhir 31 Desember 2019-2024*. https://www.pta.com

PT A (Persero) Tbk. (2025). *Dokumen internal dan rencana jangka panjang perusahaan*. Internal company documents.

PT B (Persero) Tbk. (2019–2024). *Laporan keuangan konsolidasian untuk tahun yang berakhir 31 Desember 2019-2024*. https://www.ptb.co.id