EVALUATING FINANCIAL PERFORMANCE BEFORE & AFTER RESTRUCTURING: A PROFITABILITY RATIO & GROWTH ANALYSIS OF PT PERTAMINA INTERNATIONAL SHIPPING

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ABSTRACT

In 2021, PT Pertamina International Shipping underwent restructuring to enhance its business operations, with a specific emphasis on integrating its shipping, maritime, and logistics enterprises. The objective of this research is to determine if restructuring has successfully achieved corporate growth in terms of profitability ratios, including revenue and net profit growth. This study also evaluates the benefits and drawbacks of restructuring strategies, offering practical suggestions for further enhancement. The primary profitability measures evaluated are Return on Assets (ROA), Return on Equity (ROE), Gross Profit Margin (GPM), Operating Profit Margin (OPM), and Net Profit Margin (NPM). The analysis is based on descriptive analysis and secondary data obtained from PT PIS's financial statements spanning from 2017 to 2023. In addition, the analysis included an evaluation of the overall financial implications of the restructuring by examining the rise in revenue and net profit. The results indicate a mixed impact on PT PIS's financial performance. Post-restructuring, the GPM declined from 17.8% to 16.0%, and the OPM dropped from 15.0% to 9.5%. The NPM also fell from 13.9% to 8.1%. ROA decreased from 7.5% to 5.2% and ROE declined from 12.3% to 8.7%. Despite these declines, the company demonstrated substantial revenue and net profit growth. Revenue increased +3246.2% from USD 99.5 million in 2017 to USD 3.33 billion in 2023, and net profit grew +2112.1% from USD 14.9 million to USD 329.9 million in the same period. The findings indicate that although restructuring resulted in significant financial growth, maintaining stable profitability ratios is challenging. The study recommends strategic refinements to enhance profitability and operational efficiency, including better asset technology utilization, technology leverage, strategic investments in high-margin segments and diversified revenue streams for long-term financial health.This research provides valuable insights for stakeholders and policymakers to enhance future restructuring strategies in the shipping industry, emphasizing the importance of balancing financial growth with sustained improvements in profitability and efficiency.

Keywords*:* Financial Performance, Restructuring, Profitability Ratios, PT Pertamina International Shipping, Corporate Strategy.

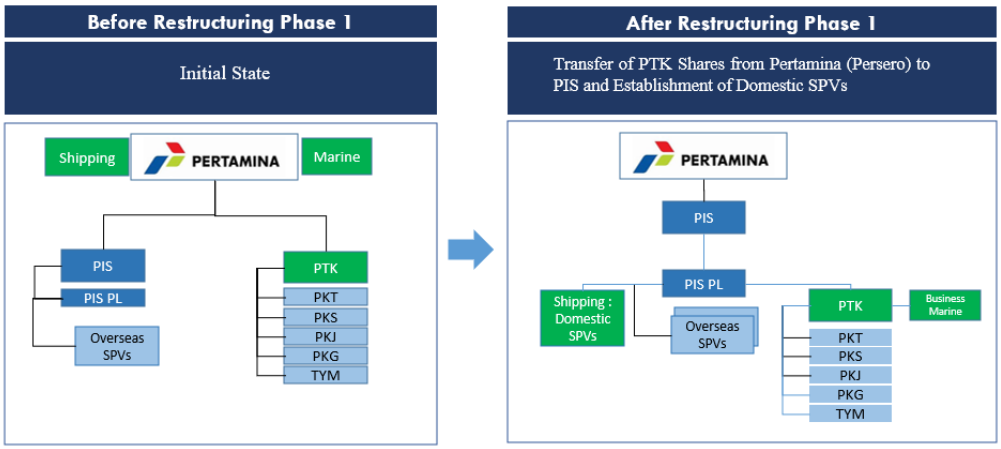
INTRODUCTION

PT Pertamina (Persero) was designated as the BUMN Oil and Gas Holding Company, supported by six Sub-holdings in Upstream, Refinery & Petrochemical, Commercial & Trading, Power & New Renewable Energy, Gas and Integrated Marine & Logistics. This new structure aims to make Pertamina a leading global energy company worth USD 100 billion by 2024.

PT Pertamina International Shipping (PIS) was appointed as the Sub-holding Integrated Marine and Logistics company, tasked with managing shipping and marine activities more efficiently and expanding services to attract external customers. This appointment requires internal organizational changes, consolidating shipping, marine, and logistics functions and assets under PIS. With these changes, PIS can become an Integrated Logistics Player by developing integrated services among shipping services, marine services, and logistics services. The restructuring of PIS has been carried out in three stages:

1. Phase 1 Restructuring of PIS aimed to consolidate all shipping and marine activities under PIS as the Sub-holding Integrated Marine and Logistics company. The restructuring depicts Figure 1, involved three key phases:
    a. Transfer of Pertamina's shares in PT Pertamina Trans Kontinental (PTK) to PIS.
    b. Transfer of 71 shipping assets from Pertamina to PIS, with 12 of these assets then moved to a Special Purpose Vehicle (SPV) under PIS.
    c. Transfer of non-mooring marine assets to PIS, which were then transferred to PTK.

Figure 1. Organization Structure Before & After Restructuring Phase 1

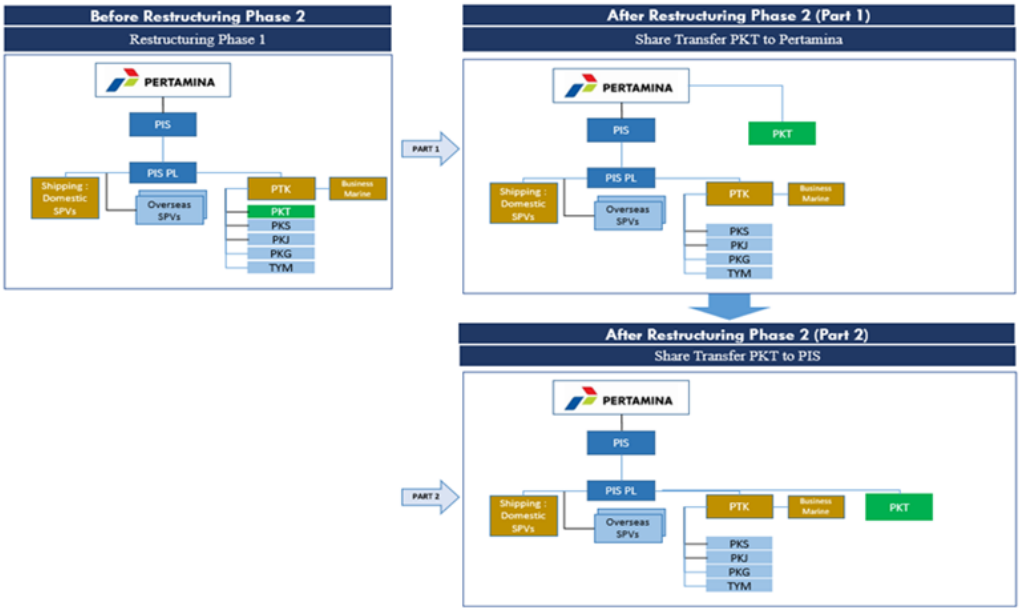


(Source: Author's Processed Data, 2024)

The objective of the restructuring was to establish consolidated shipping, maritime, and logistics businesses with the aim of enhancing the overall value of the organization. Based on Figure 1 shown before the restructuring, PT PIS solely operated in the shipping industry, while the marine and logistics sectors remained under the control of the parent firm. After the reorganization process, PT PIS has gained complete control over the entire business, which enables more efficient allocation and coordination of resources.

2. Phase 2 Restructuring of PIS as shown in Figure 2, aimed to integrate all shipping, marine, and logistics activities under PIS as the Sub-holding Integrated Marine and Logistics company. This phase involved transferring six terminals from Pertamina to PIS with the following scheme:
   a. Part 1
      i. Pertamina transferred terminal assets and liabilities to PKT using book value.
      ii. PKT issued new shares to Pertamina, making Pertamina the majority owner of PKT.
   b. Part 2
      i. Pertamina transferred PKT shares to PIS through a Business Takeover
      ii. PIS issued new shares to Pertamina, increasing Pertamina's ownership in PIS and giving PIS direct ownership of PKT

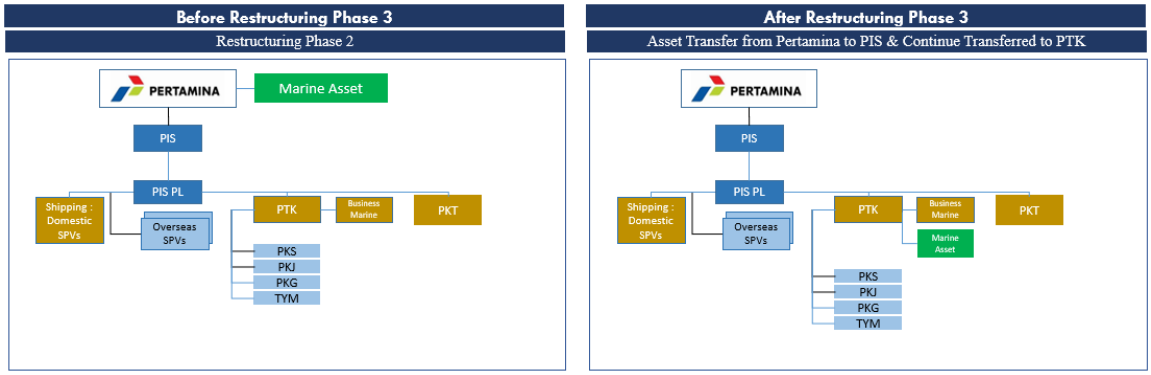
Figure 2 Organization Structure Before & After Restructuring Phase 2



(Source: Author's Processed Data, 2024)

3. Phase 3 aimed to consolidate all shipping, marine, and logistics activities under PIS to avoid asset duplication and enhance investment efficiency. The restructuring that explained in Figure 3, occurred in two stages:
   a. Transferred 1,099 assets from Pertamina to PIS
   b. Transferred 567 assets from PIS to PTK

Figure 3 Organization Structure Before & After Restructuring Phase 3



(Source: Author's Processed Data, 2024).

RESEARCH OBJECTIVES

1. To evaluate the changes in significant profitability ratios (Gross Profit Margin, Operating Profit Margin, Net Profit Margin, Return on Assets, and Return on Equity) of PT Pertamina International Shipping (PT PIS) prior to and following to the restructuring process to ascertain whether the restructuring has successfully improved financial efficiency.
2. To examine the growth in revenue and net profit after tax from 2017 to 2023, with a focus on the period before and after restructuring
3. To identify the strengths and weaknesses of the restructuring strategy and provide actionable insights for future improvements.

RESEARCH SCOPE

1. The study will focus on PT PIS and its financial performance before and after the restructuring.
2. The analysis will cover the period from 2017 to 2023, with the restructuring having taken place in 2021. This period allows for an examination of financial performance four years before and three years after the restructuring.
3. The Financial ratios analyzed will include profitability ratios.

RESEARCH LIMITATION

1. The research relies on secondary data sources such as financial statements and annual reports of PT PIS, which may have inherent limitations in accuracy and completeness.
2. The findings may not be generalizable to other companies or industries without similar restructuring contexts.
3. The study focuses on quantitative analysis and does not comprehensively cover stakeholder perspectives or qualitative impacts of restructuring.
4. The selected profitability ratios are Gross Profit Margin (GPM), Operating Profit Margin (OPM), Net Profit Margin (NPM), Return on Equity (ROE), and Return on Assets (ROA).
5. The growth analysis focuses on revenue and net profit growth.

LITERATURE REVIEW

PT Pertamina International Shipping (PT PIS) was restructured in 2021 to improve financial performance and efficiency. Assessing the impact of this restructuring on profitability is crucial for identifying strengths and weaknesses and for future improvements. The primary stakeholders are PT PIS management, PT Pertamina as the parent company, employees, investors, customers, regulatory bodies, and suppliers. The PT PIS Management Team and PT Pertamina's Board of Directors are responsible for the restructuring. Potential problems include insufficient profitability improvement and operational inefficiencies.

This study applies quantitative descriptive methods to analyze numerical data gathered from financial statements to precisely explain the financial performance of the company. This approach quantifies and examines profitability ratios, offering a comprehensive comprehension of the company's financial well-being within the defined timeframe (Creswell, 2018).

Corporate restructuring involves significant changes to enhance a company's performance and ensure long-term survival. This can include divestitures, equity carve-outs, spinoffs, and split-ups (Gaughan, 2015). The goals are to improve financial health, increase efficiency, reduce costs, manage debt, and adapt to market changes. Financial statements provide information about an entity's financial position, performance, and cash flows (Brigham, 2007). These reports are crucial for making economic decisions and demonstrating management's stewardship of resources. Profitability ratios are essential metrics for assessing a company's ability to generate earnings relative to revenue, assets, and equity. Key ratios include Return on Assets (ROA), Return on Equity (ROE), Gross Profit Margin, Operating Profit Margin, and Net Profit Margin. These ratios help stakeholders assess operational efficiency, make investment decisions, evaluate creditworthiness, and benchmark performance against industry standards (Gitman, 2014).

Combining the analysis of restructuring impacts with an understanding of these financial principles provides a comprehensive framework for evaluating the effectiveness of PT PIS's restructuring efforts. The Table 1, below, provides a summary of various studies that analyze financial performance through different financial ratios in several Indonesian companies. Each entry includes the author, title, key results, and recommendations drawn from the respective studies

No	Author	Title	Result & Conclusion
1	Wiwiek Mardawiyah Daryanto (2018)	A Financial Ratio Analysis of Oil and Gas Private Company in Indonesia Before and After Declining the Oil Production.	In the face of reducing oil output, ROE and ROI decreased, with ROE falling from 2014 to 2015. In 2016, the cash ratio dropped dramatically because of liquidity fluctuations. While collection time rose, asset and inventory management activity ratios decreased. The solvency ratio dropped dramatically in 2015 and 2016, indicating heightened insolvency risk. PT. Medco Internasional Tbk should improve efficiency and cost management, especially during production reductions, to increase profitability. Maintaining liquidity requires better cash flow and receivables management. To improve solvency and financial risks, the organization should improve asset utilization, inventory management, equity basis, and debt reduction.
2	Tengku Amrizal Azwin (2019)	Holding Restructuring Analysis Towards the Solvability and Profitability of PT INALUM (Persero)	The results indicated improved profitability and solvency ratios post-restructuring, suggesting that restructuring had a positive impact on the company's financial performance. As a recommendation, the study recommends continuing the strategy of creating synergies among state-owned enterprises to enhance efficiency and profitability
3	Bianda Puspita Sari (2021)	Profitability Ratio Analysis as Measurement Tool of Financial Performance: Study Case of PT Pertamina (Persero)	The results showed that PT Pertamina's profitability ratios were below industry standards, indicating suboptimal financial performance. Despite this, PT Pertamina outperformed its competitors in certain aspects. As a recommendation, the company should adopt a non-residual budgeting system and focus on improving operational efficiency and managing assets better

4	Riko Mersandro Permana (2023)	Financial Performance Analysis of SHIP Before and After the IPO Based on Liquidity, Solvency, and Profitability Ratios	It found that liquidity and profitability improved post-IPO, while solvency decreased. As a recommendation, the company should increase its current assets to improve liquidity and manage liabilities to avoid high dependency on debt
5	Sabda Dian Nurani Siahaan (2023)	Assessing the Financial Performance of PT. Astra International Tbk by Analyzing Liquidity and Profitability Ratios	The analysis showed that PT Astra International's liquidity ratios decreased over the years while profitability ratios increased. Despite the decline in liquidity, the company's financial condition remained healthy. As a recommendation, PT Astra International should maintain a balance between liquidity and profitability to ensure continued financial health.
6	Tri Damayanti (2023)	Analysis of Financial Ratios to Assess Financial Performance at PT. Unilever Indonesia Tbk	The analysis of PT. Unilever Indonesia Tbk's financial performance using various financial ratios such as liquidity, profitability, and solvency revealed that the company's financial health was stable, and it managed to maintain good profitability and liquidity ratios over the years. As a recommendation, the company should continue to focus on improving its operational efficiency and managing its resources effectively to sustain its financial performance
7	Haeruni Rezky Kanna (2023)	Profitability Ratio Analysis to Measure Financial Performance at PT. Bank Sulselbar Makassar Main Branch	The study found that PT. Bank Sulselbar's financial performance, measured through profitability ratios, showed a consistent improvement over the years. As a recommendation, the bank should focus on maintaining its profitability by optimizing its asset utilization and improving its operational efficiency.

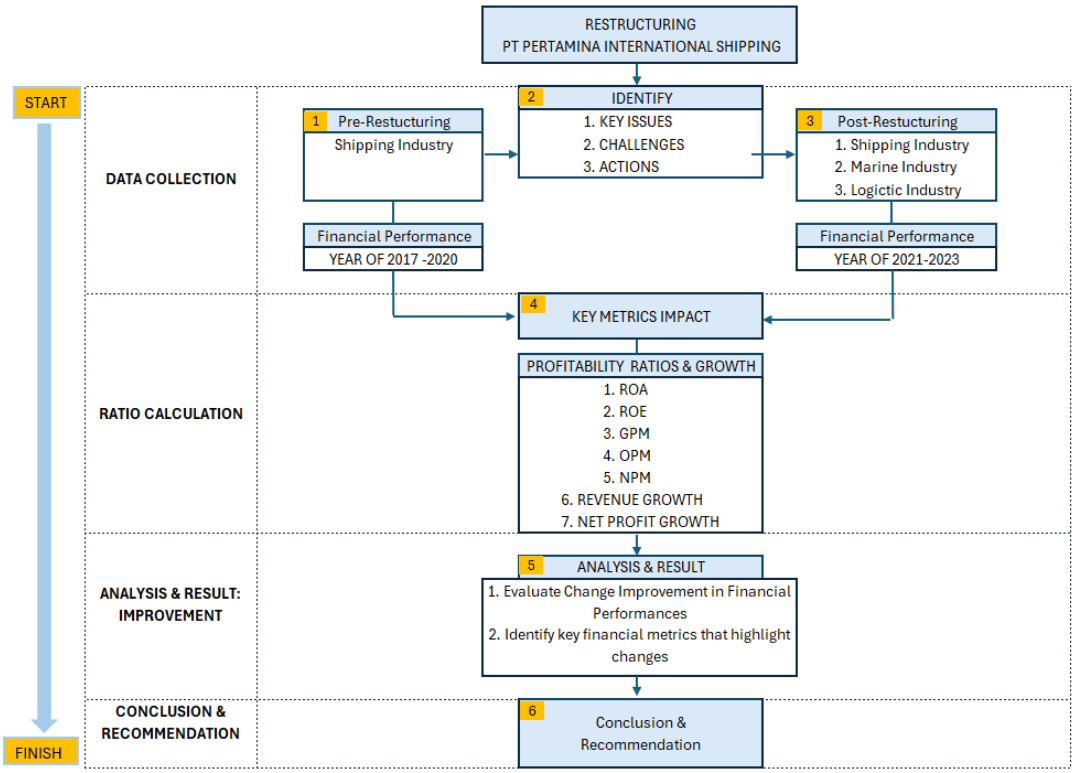
RESEARCH METHODOLOGY

This research uses quantitative descriptive methods to systematically describe the financial performance characteristics of PT PIS and a quantitative approach for objective measurement and analysis. This research uses secondary data in the form of company financial reports for the period 2017-2023.

It examines the statement of financial position and the income statement to extract useful information regarding assets, liabilities, equity, revenues, expenses, and profits. Profitability ratios, such as Return on Assets (ROA), Return on Equity (ROE), Gross Profit Margin (GPM), Operating Profit Margin (OPM), and Net Profit Margin (NPM), are valuable tools for evaluating a company's profit generation in relation to its revenue, assets, or equity. In addition, we also measured the growth of revenue and net profit. This approach provides a thorough and unbiased assessment of PT PIS's financial performance during the specified timeframe.

The research flow framework in this study includes data collection, ratio calculation, analysis and results and conclusions & recommendations, as presented in Figure 4.

Figure 4 Research Flow Framework



(Source: Author's Analysis, 2024)

RESULT & DISCUSSION

This study utilizes secondary data in the form of corporate financial reports spanning from 2017 to 2023. A condensed overview of the financial reports is provided in figures 5 and 6.

Figure 1 Consolidated Statement of Financial Position PT PIS 2017 – 2023

Consolidated Statement of Financial Position	2017	2018	2019	2020	2021	2022	2023
	Amount In US Dollar						
Current Assets	85,004,854	112,651,665	200,251,074	228,100,398	824,696,220	1,329,832,766	1,466,112,138
Non-Current Assets	123,960,993	183,682,857	218,809,341	320,260,546	2,322,888,049	2,333,343,164	2,635,687,553
Total Assets	208,965,847	296,334,522	419,060,415	548,360,944	3,147,584,269	3,663,175,930	4,101,799,691
Current Liabilities	56,302,592	76,027,857	139,244,964	182,073,340	925,216,810	1,370,249,436	1,362,909,458
Non-Current Liabilities	8,346,864	23,243,437	16,164,505	18,951,739	476,058,505	419,002,008	584,015,034
Total Liabilities	64,649,456	99,271,294	155,409,469	201,025,079	1,401,275,315	1,789,251,444	1,946,924,492
Total Equities	144,316,391	197,063,228	263,650,946	347,335,865	1,746,308,954	1,873,924,486	2,154,875,199
Total Liabilities and Equity	208,965,847	296,334,522	419,060,415	548,360,944	3,147,584,269	3,663,175,930	4,101,799,691

Legend
Before Restructuring
After Restructuring

Source: Author's Processed Data (2024)

Figure 2 Consolidated Statement of Profit & Loss PT PIS 2017 – 2023

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income	2017	2018	2019	2020	2021	2022	2023
	Amount In US Dollar						
Net Revenue	99,512,258	404,750,080	493,978,124	598,866,923	1,732,519,711	2,832,006,100	3,329,899,391
Cost Of Revenue	(80,654,852)	(329,397,058)	(417,637,381)	(489,046,283)	(1,471,057,832)	(2,405,002,629)	(2,737,497,153)
Gross Profit	18,857,406	75,353,022	76,340,743	109,820,640	261,461,879	427,003,471	592,402,238
General And Administrative Expenses	(2,641,915)	(5,943,592)	(8,625,849)	(10,957,676)	(86,648,328)	(155,939,385)	(196,482,149)
Selling And Marketing Expenses	(2,970)	(73,516)	(85,505)	(31,990)	(18,428)	(282,830)	(645,771)
Final Tax Expense	-	(5,129,208)	(5,381,445)	(7,516,346)	(18,865,923)	(27,648,407)	(29,767,234)
Operating Profit	16,212,521	64,206,706	62,247,944	91,314,628	155,929,200	243,132,849	365,507,084
Finance Costs	117,388	1,185,049	506,206	1,501,968	2,991,375	(22,577,777)	(42,899,365)
Finance Income	-	(656,213)	(699,109)	(1,716,251)	(10,896,057)	3,442,882	5,967,898
Reversal/(Impairment) Of Financial And Contract Assets	-	-	-	(1,239,618)	1,959,550	(2,897,093)	3,686,985
Share Profit Of Joint Venture	-	-	-	-	(4,555,127)	1,711,132	2,027,196
Others, Net	(701,469)	(11,438,679)	5,506,697	(5,430,947)	(3,802,721)	8,710,693	21,852,860
Profit Before Income Tax	(15,628,440)	(53,296,863)	(67,561,738)	(84,429,780)	(141,626,220)	(231,522,686)	(356,142,658)
Income Tax Expense	(713,189)	(565,558)	(974,020)	(720,407)	(15,423,142)	(26,514,625)	(26,208,544)
Profit For The Year	(16,341,629)	(53,862,421)	(68,535,758)	(85,150,187)	(157,049,362)	(258,037,311)	(382,351,202)
Total Profit For The Year Attributable To:							
Owner Of The Parent Entity -	14,915,251	52,731,305	66,587,718	83,709,373	126,199,334	205,007,667	329,933,570
Non-Controlling Interest -	-	-	-	-	3,744	394	544

Legend
Before Restructuring
After Restructuring

Source: Author's Processed Data (2024)

1. The Financial Performance of PT PIS Based on Gross Profit Margin (GPM)

As depicted in figure 7, the GPM of PT PIS has experienced fluctuations throughout the years. Prior to the restructuring, GPM maintained an average profitability of 17.8%, demonstrating a consistent relationship between its profits and costs. Following the restructuring, GPM decreased to 16.0%, suggesting potential inefficiencies or higher production expenses. The decrease in profitability suggests that the company's cost management and pricing strategies were adversely affected, resulting in a negative impact.

Figure 3. Gross Profit Margin Calculation and Trend

		Before Restructuring				After -Restructuring		
Formuln	Ratios	2017	2018	2019	2020	2021	2022	2023
A	Gross Profit	18,857,406	75,353,022	76,340,743	109,820,640	261,461,879	427,003,471	592,402,238
B	Revenue	99,512,258	404,750,080	493,978,124	598,866,923	1,732,519,711	2,832,006,100	3,329,899,391
C=A/B	Gross Profit Margin (GPM)	18.9%	18.6%	15.5%	18.3%	15.1%	15.1%	17.8%
	Average GPM	17.8%				16.0%		

(Source: Author's Processed Data, 2024)

2. The Financial Performance of PT PIS Based on Operating Profit Margin

Figure 8 shows that PT PIS's Operating Profit Margin (OPM) experienced a substantial decline following the restructuring. Prior to the reorganization, the average OPM stood at 15.0%, reflecting a high level of efficiency. However, following the restructuring, it declined to 9.5%. This indicates that there was an increase in expenses or decrease in efficiency, which had a negative influence on the company's ability to create profits and overall sustainability.

Figure 4 Operating Profit Margin Calculation and Trend

		Before Restructuring				After -Restructuring		
Formula	Ratios	2017	2018	2019	2020	2021	2022	2023
A	Operating Profit	16,212,521	64,206,706	62,247,944	91,314,628	155,929,200	243,132,849	365,507,084
B	Revenue	99,512,258	404,750,080	493,978,124	598,866,923	1,732,519,711	2,832,006,100	3,329,899,391
C=A/B	Operating Profit Margin (OPM)	16.3%	15.9%	12.6%	15.2%	9.0%	8.6%	11.0%
	Average OPM	15.0%				9.5%		

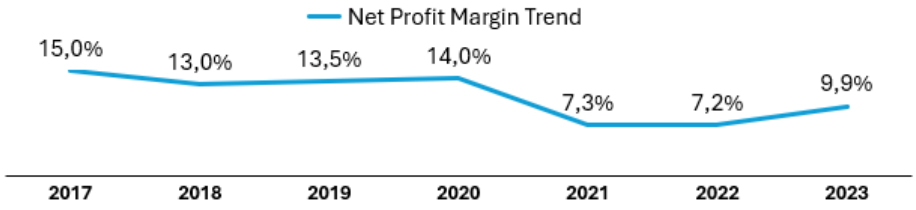
(Source: Author's Processed Data, 2024)

3. The Financial Performance of PT PIS Based on Net Profit Margin

Figure 9 demonstrated that PT PIS's Net Profit Margin (NPM) declined after restructuring, dropping from an average of 13.9% to 8.1%. This suggests lower profitability due to higher non-operating expenses or interest costs. The decrease indicates challenges in cost management and revenue conversion, affecting long-term financial health. However, NPM improved from 7.2% in 2022 to 9.9% in 2023, showing some recovery in efficiency and margins.

Figure 5 Net Profit Margin Calculation and Trend

		Before Restructuring				After -Restructuring		
Formula	Ratios	2017	2018	2019	2020	2021	2022	2023
A	NetProfit	14,915,251	52,731,305	66,587,718	83,709,373	126,199,334	205,007,667	329,933,570
B	Revenue	99,512,258	404,750,080	493,978,124	598,866,923	1,732,519,711	2,832,006,100	3,329,899,391
C=A/B	Net Profit Margin (NPM)	15.0%	13.0%	13.5%	14.0%	7.3%	7.2%	9.9%
	Average NPM	13.9%				8.1%		



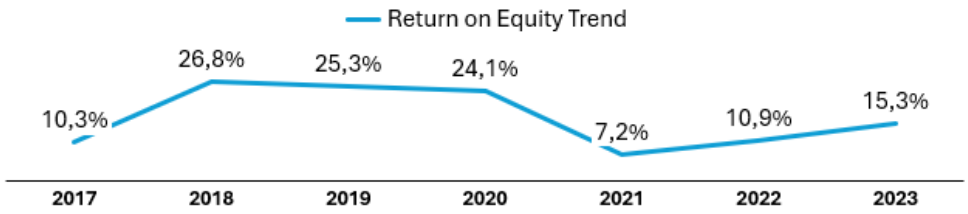
(Source: Author's Processed Data, 2024)

4. The Financial Performance of PT PIS Based on Return on Equity

Figure 10 shows that PT PIS's Return on Equity (ROE) dropped significantly after restructuring, from 21.6% to 11.2%. This suggests decreased efficiency in generating shareholder returns and challenges in achieving expected profitability. The lower ROE post-restructuring raises concerns about delivering adequate returns to investors

Figure 6 Return on Equity Calculation and Trend

		Before Restructuring				After -Restructuring		
Formula	Ratios	2017	2018	2019	2020	2021	2022	2023
A	Net Income	14,915,251	52,731,305	66,587,718	83,709,373	126,199,334	205,007,667	329,933,570
B	Equity	144,316,391	197,063,228	263,650,946	347,335,865	1,746,308,954	1,873,924,486	2,154,875,199
C=A/B	Return on Equity (ROE)	10.3%	26.8%	25.3%	24.1%	7.2%	10.9%	15.3%
	Average ROE	21.6%				11.2%		



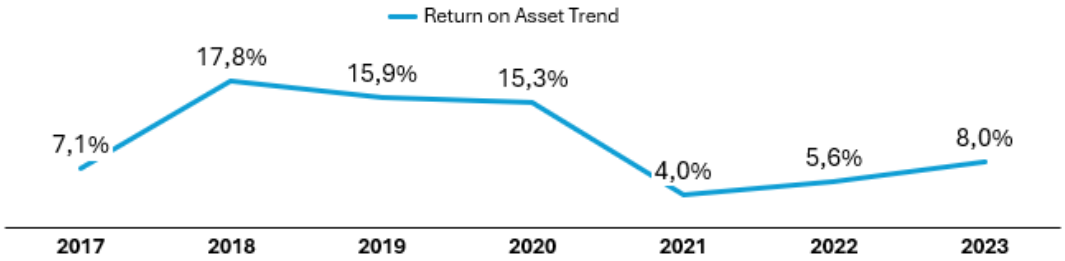
(Source: Author's Processed Data, 2024)

5. The Financial Performance of PT PIS Based on Return on Asset

PT PIS's Return on Assets (ROA), which is reflected in figure 11, decreased significantly after restructuring, from 14.0% to 5.9%. This suggests reduced efficiency in using assets to generate profits, possibly due to increased costs or lower productivity. The lower ROA indicates struggles in optimizing assets, affecting overall financial performance and asset management strategies.

Figure 7 Return on Asset Calculation and Trend

		Before Restructuring				After -Restructuring		
Formula	Ratios	2017	2018	2019	2020	2021	2022	2023
A	Net Profit	14,915,251	52,731,305	66,587,718	83,709,373	126,199,334	205,007,667	329,933,570
B	Total Asset	208,965,847	296,334,522	419,060,415	548,360,944	3,147,584,269	3,663,175,930	4,101,799,691
C=A/B	Return on Asset (ROA)	7.1%	17.8%	15.9%	15.3%	4.0%	5.6%	8.0%
	Average ROA	14.0%				5.9%		



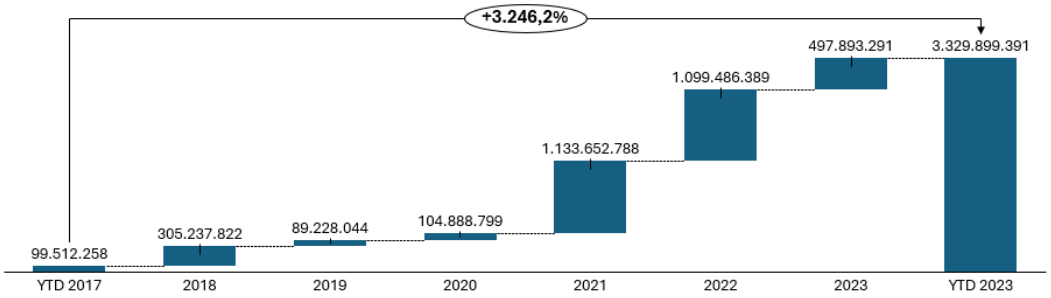
(Source: Author's Processed Data, 2024)

6. The Financial Performance of PT PIS Based on Revenue Growth

Regarding Figure 12, PT Pertamina International Shipping's (PT PIS) revenue grew significantly from USD 99.5 million in 2017 to USD 3.33 billion in 2023. Despite fluctuations, including a dip in 2019 and a recovery in 2020, revenue sharply increased in 2021 to USD 1.13 billion. After a slight decrease in 2022, it rose again in 2023 to USD 3.33 billion. This +3,246.2% growth reflects successful restructuring and operational strategies, demonstrating substantial financial improvement and efficiency.

Figure 8 Revenue Growth Calculation & Trend

		Before Restructuring				After Restructuring		
Formula	Ratios	2017	2018	2019	2020	2021	2022	2023
A	Revenue	99,512,258	404,750,080	493,978,124	598,866,923	1,732,519,711	2,832,006,100	3,329,899,391
B = Current Year - Previous Year	Growth in US Dollar	-	305,237,822	89,228,044	104,888,799	1,133,652,788	1,099,486,389	497,893,291
C = B / Revenue Previous Year	Growth in %	-	307%	22%	21%	189%	63%	18%



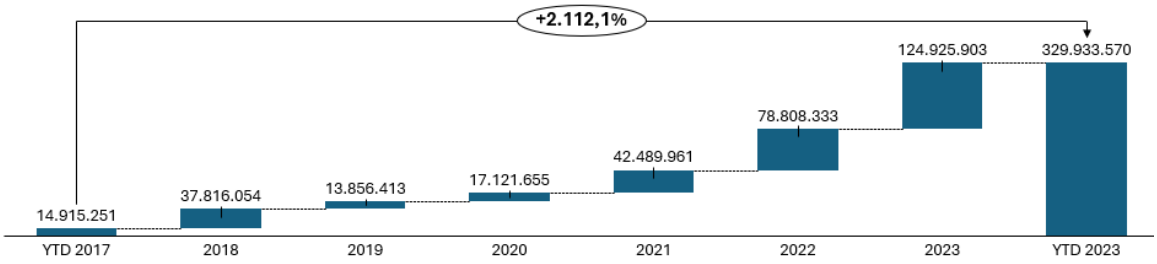
(Source: Author's Processed Data, 2024)

7. The Financial Performance of PT PIS Based on Net Profit Growth

Based on calculation on Figure 13, PT PIS's net profit growth varied, with notable increases in 2018 (254%) and 2021 (51%), likely due to effective cost management or revenue strategies. Post-restructuring, net profit growth was positive but lower, with 61% in 2023. This indicates challenges in maintaining high growth rates, suggesting that while restructuring had benefits, consistent profitability improvement remains difficult.

Figure 9 Net Profit Growth Calculation & Trend

		Before Restructuring				After Restructuring		
Formula	Ratios	2017	2018	2019	2020	2021	2022	2023
A	Net Profit	14,915,251	52,731,305	66,587,718	83,709,373	126,199,334	205,007,667	329,933,570
B = Current Year - Previous Year	Growth in US Dollar	-	37,816,054	13,856,413	17,121,655	42,489,961	78,808,333	124,925,903
C = B / Net Profit Previous Year	Growth in %	-	254%	26%	26%	51%	62%	61%



(Source: Author's Processed Data, 2024)

8. Identify strength and weakness of restructuring to provide strategy and provide actionable insights for future improvements

The reorganization of PT Pertamina International Shipping (PT PIS) has resulted in substantial alterations to the company's activities and financial outcomes. The rise in profit was primarily propelled by the growth in sales from domestic freight transportation, which accounted for almost 50% of the total income. The reorganization process converted PT PIS into a unified maritime logistics sub-holding, broadening its operational range and sources of income. Despite a decline in the percentage contribution of domestic cargo to revenue from 50.4% in 2021 to 42% in 2023, the actual revenue in this sector continued to rise. This demonstrates the success of the restructuring strategy and the company's capacity to capitalize on market demand.

Figure 10 New Revenue Stream Contribution from FOB Domestic Cargo as New Transaction After Restructuring

	BEFORE RESTRUCTURING (USD Million)				AFTER RESTRUCTURING (USD Million)		
Revenue Market Segmentation	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Consolidated Revenue	99.5	404.8	494.0	598.9	1,732.5	2,832.0	3,329.9
Revenue Stream : FOB Domestic Cargo	-	-	-	-	**872.6**	**1,377.6**	**1,398.8**
% FOB Domestic Cargo of Consolidated Revenue	0.0%	0.0%	0.0%	0.0%	**50.4%**	**48.6%**	**42.0%**

(Source: Author's Analysis Data, 2024)

Nevertheless, the process of restructuring also brings about difficulties, including a reduction in profitability ratios, which suggests that the new transaction margins are lower than those of the prior business lines. The analysis indicates substantial opportunities for expansion in third-party marketplaces, which can mitigate reliance on a sole revenue source and enhance financial resilience. By implementing assertive marketing strategies, forming strategic alliances, and making substantial investments in technology and infrastructure, PT PIS can use external markets to attain a more enduring expansion and enhance profit margins, so securing long-term financial well-being and competitiveness.

Figure 11 Revenue breakdown by customer segmentation

	BEFORE RESTRUCTURING				AFTER RESTRUCTURING		
Revenue Market Segmentation	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Consolidated Revenue	99.5	404.8	494.0	598.9	1,732.5	2,832.0	3,329.9
Revenue from Related Party Sales	0.0	395.3	463.7	556.6	**1,659.8**	**2,619.7**	**3,062.8**
% Related Party Sales	0.0%	97.7%	93.9%	92.9%	**95.8%**	**92.5%**	**92.0%**
Revenue Market Segmentation	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Consolidated Revenue	99.5	404.8	494.0	598.9	1,732.5	2,832.0	3,329.9
Revenue from third Party Sales	99.5	9.5	30.3	42.3	**72.7**	**212.3**	**267.1**
% Third Party Sales	100.0%	2.3%	6.1%	7.1%	**4.2%**	**7.5%**	**8.0%**

(Source: Author's Analysis Data, 2024)

CONCLUSION

The restructuring of PT Pertamina International Shipping (PT PIS) aimed to enhance financial performance and operational efficiency. Post-restructuring analysis shows mixed results which Gross Profit Margin (GPM), Operating Profit Margin (OPM), Net Profit Margin (NPM), Return on Equity (ROE), and Return on Assets (ROA) all declined, indicating increased production costs, inefficiencies, and higher non-operating expenses. Despite these declines, PT PIS experienced substantial revenue growth from USD 99.5 million in 2017 to USD 3.33 billion in 2023 (+3246.2%) and net profit growth from USD 14.9 million to USD 329.9 million (+2112.1%). However, maintaining consistent profitability ratios after restructuring has been challenging, highlighting ongoing issues in cost management and operational efficiency.

Overall, the restructuring significantly increased PT PIS's revenue and net profit, demonstrating the company's ability to scale operations and enhance market presence. While the financial growth indicates a positive restructuring impact, the declines in key profitability ratios suggest that the expected benefits of improved efficiency were not fully realized. Moving forward, PT PIS must focus on refining strategies to optimize profitability and efficiency to sustain its growth and financial health.

This study provides valuable insights on the process of restructuring, particularly in the context of shipping, marine, and logistics companies. This paper presents empirical information regarding the influence of restructuring on financial performance, specifically focusing on profitability ratios and growth indicators.

This study provides significant contribution in terms of an in-depth look at the restructuring process, particularly for companies in the shipping, marine and logistics sectors. The research describes factual, data-driven information on how restructuring impacts financial performance, with a particular focus on profitability ratios and growth metrics. The findings provide practical insights for PT PIS and other organizations considering similar changes. In addition, this research contributes to the academic literature on corporate restructuring by presenting a detailed case study of PT PIS, a government-owned company. The research emphasizes the complexity of the restructuring process and the thorough strategic planning and execution required to achieve the desired outcome.

RECOMMENDATIONS

To improve financial and operational performance, PT PIS should focus on increasing revenue streams and optimizing asset utilization. First, expand third-party segment revenue by developing strategies to attract external customers, identify new market opportunities, build partnerships, and enhance service offerings. Increase the investment budget with thorough feasibility studies to ensure returns meet projections and diversify business operations by exploring high-margin segments like petrochemical products and LNG. Optimize restructured business segments, including marine, terminal, and logistics services, by implementing best practices, streamlining operations, and enhancing service quality. Invest in advanced technologies to boost asset productivity, conduct regular performance reviews to ensure optimal asset operation, and provide comprehensive training for employees to handle advanced technologies and maintain high asset utilization.

Future research should explore the long-term impact of restructuring on financial metrics such as liquidity and solvency ratios, providing a deeper understanding of its effects over an extended period. Investigate qualitative aspects like employee morale and customer satisfaction through surveys, interviews, and focus groups to gain a holistic view of restructuring's impact. Benchmark PT PIS's performance against industry standards and best practices to identify areas for improvement and implement effective strategies. By addressing these recommendations and research suggestions, PT PIS can overcome current challenges and achieve its strategic objectives of enhanced profitability and operational

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