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Analysis of Financial Risk Profiles and Enterprise Risk Management Frameworks in Transit-Oriented Development Property Companies

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ABSTRACT

Indonesia's property industry faces increasing complexity of financial risks in the post-pandemic era, especially Transit-Oriented Development (TOD)-based companies that integrate property development with mass transportation infrastructure. This study aims to analyze the financial risk profile of PT Adhi Commuter Properti Tbk and identify an appropriate Enterprise Risk Management framework to manage the risk of TOD property companies. The research adopts a quantitative approach with a case study design, analyzing the audited financial statements for the period March 31, 2025 through a comprehensive financial ratio analysis that includes four dimensions: profitability, debt repayment, operational efficiency, and growth strategy. The results of the study revealed an alarming financial risk profile with a Net Profit Margin of only 0.02%, Return on Assets 0.000236%, Return on Equity 0.000622%, a very low Quick Ratio at 9.94%, a high Debt to Equity Ratio of 1.64, an Asset Turnover of 1.02%, and a decrease in net profit of 99.77%. The findings confirm that the company faces significant liquidity risks, excessive leverage, low profitability, and weak operational efficiency that require urgent strategic intervention. The research identifies the need for the implementation of the COSO Enterprise Risk Management and Integrated Risk Management framework tailored to the unique characteristics of the TOD. Practical implications include restructuring capital structures, improving operational efficiency, strengthening liquidity management, and developing an early warning system based on Big Data technology to proactively detect potential financial distress and increase the financial resilience of TOD property companies in Indonesia.

INTRODUCTION

The global property and real estate industry faces the increasing complexity of financial risks in the post-pandemic era, with challenges that include property value fluctuations, capital market volatility, liquidity risks, and changes in interest rates (Deloitte, 2026). According to the latest report from WTW (2024), as many as 55% of global property companies anticipate an increase in the value of their assets in the next two years, despite facing significant economic uncertainty. Effective financial risk management has become a strategic imperative, especially as the commercial property sector is under pressure from changing work patterns, rising capital costs, and stricter sustainability requirements. Riskonnect (2025) emphasizes that the Integrated Risk Management (IRM) approach is crucial for identifying, assessing, and managing financial and non-financial risks holistically. In this context, property companies are required to adopt a comprehensive risk management framework that not only focuses on financial aspects, but also considers operational, technological, environmental, and regulatory risks (Battisti et al., 2020; Oko-Odion & Angela, 2025; Van Greuning & Bratanovic, 2020).

In Indonesia, the property and real estate sectors play a vital role in the national economic growth, with significant contributions to the Gross Domestic Product (GDP) and labor absorption. However, recent research shows that property companies in Indonesia face a variety of complex financial challenges. Saraswati et al. (2024) found that during the 2018-2022 period, there was an increase in financial distress cases in the Indonesian property sector, mainly triggered by high leverage, low liquidity, and the impact of the COVID-19 pandemic.

Furthermore, research by Yurisafira et al. (2023) revealed that macroeconomic factors such as interest rates, inflation, and economic growth have a significant influence on the value of property companies in Indonesia. In the specific context of Transit-Oriented Development (TOD), the challenges become more complex as this business model combines property development with mass transportation infrastructure. A valuation study by researchers at the Bandung Institute of Technology (2024) on PT Adhi Commuter Properti Tbk shows that the company lost more than half of its market capitalization after the Initial Public Offering (IPO), indicating problems in financial risk management and valuation strategies. TODs have unique characteristics with high market risks, dependence on government policies, and large infrastructure investment needs (Urban Institute, 2025).

Although financial risk management has been the focus of attention of academics and practitioners, there is a significant gap in the implementation of effective risk management frameworks in TOD property companies in Indonesia. Key issues include limitations in the identification and measurement of comprehensive financial risks that include credit risk, market risk, liquidity risk, and operational risk in an integrated manner. The weak *early warning system* to detect potential financial distress is also a significant challenge. The lack of alignment between the capital structure and the company's risk profile further exacerbates the situation, coupled with the absence of a framework specifically designed to manage the unique risks associated with the TOD business model. Research in Indonesia shows that although *Enterprise Risk Management* (ERM) has begun to be adopted, its implementation is still not optimal in improving the integrity of financial statements and the performance of property companies (Journal of Managerial Accounting, 2024). This condition is exacerbated by the high volatility of the Indonesian property market, especially post-pandemic, where many companies experienced a decrease in revenue of more than 50% as experienced by PT Adhi Commuter Properti Tbk with a decrease in revenue from IDR 651.96 billion to IDR 300.32 billion in 2024 (Stock Analysis, 2024).

Theoretically, corporate financial risk management can be improved through the adoption of a comprehensive *Enterprise Risk Management* (ERM) framework. The COSO (*Committee of Sponsoring Organizations of the Treadway Commission*) framework for ERM provides a structured framework for integrating risk management into corporate strategies and operations (ASHRM, 2024). The framework includes five key components: governance and culture, strategy and goal setting, performance, review and revision, and information and communication. In the context of the property industry, the IRM (Integrated Risk Management) framework proposed by Riskonnect (2025) emphasizes the importance of a holistic approach that combines risk assessment, risk mitigation strategies, and continuous monitoring. This approach involves portfolio diversification, hedging against market volatility, effective implementation of lease agreements, and thorough due diligence. Du et al. (2025) in their comprehensive survey of enterprise financial risk analysis from a Big Data perspective, identified that advanced technologies such as machine learning, neural networks, and blockchain can improve risk identification accuracy by up to above 94%.

Previous research conducted by Dwiantari and Artini (2020) found that simultaneous management of leverage, liquidity, and profitability can reduce the risk of financial distress in property companies listed on the Indonesia Stock Exchange for the 2017-2019 period. Studies show that leverage has a positive influence on financial distress, while profitability and company size have a negative effect, indicating the importance of maintaining an optimal capital structure. A recent study by Saraswati et al. (2024) using the Zmijewski method for financial distress prediction, found that a combination of financial ratios including Return on Assets (ROA), Debt to Asset Ratio (DAR), and Current Ratio can be an effective early warning indicator. Yusri (2023) in an analysis of financial leverage on Return on Equity (ROE) and Earnings Per Share (EPS) in the Indonesian property sector, emphasized that companies can

use these findings to fine-tune their debt structures, where the strong positive correlation between leverage and ROE shows that leveraging debt can potentially increase returns for shareholders, but noting that leverage levels must be sustainable and not excessively increase financial risk. Wang et al. (2022) developed a DS-RF model that integrates random forest algorithms with evidence theory for a financial early warning system with higher accuracy. Chen et al. (2024) proposed a risk identification model that combines BiLSTM with transformers, achieving an accuracy of above 94%. Yurisafira et al. (2023) identified that macroeconomic variables such as interest rates, exchange rates, and GDP significantly affect the value of Indonesian property companies. For the specific context of TOD, international research shows the importance of risk assessment that includes market demand risk, construction risk, regulatory risk, and transit ridership risk (US DOT Build America, 2024).

Although a lot of research on financial risk management in the property sector has been conducted, some important gaps are still identified. Most previous research has focused on conventional property companies, while the unique characteristics of Transit-Oriented Development (TOD) that combine property development with mass transportation infrastructure have not been explored in the context of financial risk management. The research of Badriyah et al. (2015) and Agustina & Baroroh (2016) shows that the relationship between ERM and company performance, the implementation of specific ERM in state-owned property companies with the TOD business model has not been widely done. The predictive model of financial distress has developed rapidly with machine learning and big data analytics (Du et al., 2025), but its application to Indonesian public property companies engaged in the TOD segment is still very limited. Methodological gaps were also identified in the development of *an integrated risk management framework* specifically designed for TOD property companies that must manage the complexity of their dual nature business risks as property developers as well as transit infrastructure operators. This research fills this gap by analyzing the financial risk profile of Indonesian TOD property companies and developing an ERM framework tailored to the unique characteristics of TOD's business model. This study addresses these gaps with a novel, integrated analysis. Its contribution is twofold: (1) it delivers an in-depth, multi-dimensional financial risk profile (profitability, leverage, liquidity, and operational efficiency) of a key Indonesian TOD property company, PT Adhi Commuter Properti Tbk, as a critical case study; and (2) more importantly, it advances beyond diagnosis to propose a synthesized, actionable Enterprise Risk Management (ERM) framework. This framework uniquely merges the strategic structure of COSO ERM with the holistic perspective of Integrated Risk Management (IRM), tailored specifically to the operational and financial realities of TOD projects. Thus, the research bridges the gap between general risk management theory and the practical, complex demands of a high-stakes, hybrid business model in an emerging market (Spanò et al., 2026; Umezurike et al., 2025).

This study aims to analyze the financial risk profile of PT Adhi Commuter Properti Tbk and its subsidiaries and identify an appropriate *Enterprise Risk Management framework* to manage the risks faced by Transit-Oriented Development property companies. The benefits of this research are expected to make a practical contribution to corporate management in strengthening financial decision-making, increasing the effectiveness of risk management, and improving the company's financial resilience in the midst of market volatility. In addition, this study provides academic benefits in the form of enriching the literature on financial risk management in Transit Oriented Development (TOD)-based property companies in Indonesia. The implications of the research include providing a reference for similar companies, especially state-owned enterprises and public property companies, in developing risk management strategies that are more integrated and adaptive to market dynamics, as well as providing input for regulators and stakeholders in improving financial risk supervision and governance policies.

RESEARCH METHOD

Research Design and Data Sources

This study adopts a quantitative approach with a case study design to analyze the financial risk management of PT Adhi Commuter Properti Tbk and its subsidiaries. The data used is secondary data from the audited financial statements for the period March 31, 2025 published through the Indonesia Stock Exchange, including financial position statements, comprehensive income statements, cash flow statements, and notes on financial statements. The data is complemented by comparative information from the previous period for growth analysis as well as supporting data from IPO prospectuses, annual reports, and stock analysis platforms.

Analysis Method

Financial risk analysis was carried out through comprehensive financial ratio analysis which includes four main dimensions according to the DS-RF (Dempster-Shafer Random Forest) model developed by Wang et al. (2022), namely profitability risk, asset quality risk, debt risk, and operational growth risk. These four dimensions were chosen because they have been shown to be effective in identifying early warning signals for potential financial distress. The analysis integrates the COSO framework for *Enterprise Risk Management* (ASHRM, 2024) and considers the specific context of Indonesian property companies based on the research of Saraswati et al. (2024), Dwiantari and Artini (2020), and Yurisafira et al. (2023).

In the profitability dimension, four ratios are used, namely Gross Profit Margin (GPM = (Sales - HPP) / Sales), Net Profit Margin (NPM = Net Profit / Sales), Return on Assets (ROA = Net Profit / Total Assets), and Return on Equity (ROE = Net Profit / Total Equity). In the dimension of debt repayment, the Current Ratio (CR = Current Assets / Current Liabilities), Quick Ratio (QR = (Current Assets - Inventories) / Current Liabilities), Debt to Equity Ratio (DER = Total Debt / Total Equity), and Operating Cash Flow Ratio (OCFR = Operating Cash Flow / Current Liabilities) are used. In the dimension of operational efficiency, Operating Expense Ratio (OER = Operating Expense / Sales), Inventory Turnover (IT = HPP / Inventory), Receivable Turnover (RT = Sales Credit / Receivables), and Asset Turnover (ATO = Sales / Total Assets) are used. In the dimension of growth strategy, Growth in Sales, Growth in Net Income, Retention Ratio (RR = (Net Profit - Dividend) / Net Profit), and Dividend Payout Ratio (DPR = Dividend / Net Profit) were analyzed.

Stages of Analysis

The analysis process is carried out in five systematic stages. First, data collection and verification by cross-checking multiple sources. Second, the financial ratio calculation uses Microsoft Excel to ensure the accuracy of the calculation. Third, interpretation of results based on property industry standards and previous research. Fourth, identify financial risks by categorizing them into four main dimensions and comparing them with commonly used threshold values. Fifth, the synthesis of findings to provide a comprehensive overview of the company's financial risk profile.

Validity and Limitations

The validity of the research is ensured through the use of secondary data that has been audited by independent auditors and triangulation of data from multiple sources. Reliability is guaranteed through the use of a standardized and replicable financial ratio formula. The limitations of the study include single-period analysis that does not capture long-term trends, a focus on quantitative analysis without in-depth qualitative analysis of non-financial factors, as well as being a case study on one company so that the findings may not be generalized directly to other TOD property companies. Nevertheless, this study makes a significant contribution to understanding the financial risk profile of TOD-based property companies in Indonesia.

RESULTS AND DISCUSSION

This study analyzes the financial risk management of PT Adhi Commuter Properti Tbk and its subsidiaries using a comprehensive financial ratio analysis approach that includes four main perspectives, namely profitability, debt repayment, operational efficiency, and company growth strategy. An analysis was carried out on the company's financial statements for the period of March 31, 2025 to identify the financial risk profile faced by the company. The results show that companies face a variety of significant challenges in financial risk management that require strategic interventions to improve financial resilience.

Company Profitability

Table 1. Profitability Indicators of PT Adhi Commuter Properti Tbk for the period of March 31, 2025

Indicator	Value	Interpretasi
Gross Profit Margin (GPM)	21,71%	Moderate
Net Profit Margin (NPM)	0,02%	Very Low
Return on Assets (ROA)	0,000236%	Very Low
Return on Equity (ROE)	0,000622%	Very Low

Source: Audited Financial Statements of PT Adhi Commuter Properti Tbk, 2025

The company's profitability analysis shows a worrying condition with performance indicators that are below the property industry standard. The company's Gross Profit Margin (GPM) was recorded at 21.71% obtained from sales of IDR 70.47 billion minus Cost of Goods Sold (COGS) of IDR 55.17 billion, resulting in a gross profit of IDR 15.30 billion (see Table 1). While GPM is still at an acceptable level for the property industry, this figure indicates pressure on gross profit margins that can be attributed to rising construction costs and reliance on Transit-Oriented Development (TOD) business models that have a more complex cost structure than conventional property development. These findings are in line with Urban Institute research (2025) which identified that TOD projects generally have higher development costs due to the complexity of integration with mass transport infrastructure and strict zoning requirements.

The company's Net Profit Margin (NPM) showed a very worrying condition with a value of only 0.02% or 2.31×10^{-4}, which was obtained from net profit of IDR 16.28 million divided by total sales of IDR 70.47 billion. This very low NPM value indicates that the company hardly makes a profit from its business operations, where for every Rp 1,000 sales, the company only earns a net profit of Rp 0.23. This condition is in line with the findings of Saraswati et al. (2024) who identified an increase in cases of financial distress in the Indonesian property sector for the 2018-2022 period, where low profitability is one of the main indicators of problematic financial conditions. This very thin net profit margin can be attributed to high operating and financial expenses, as well as the impact of a significant decrease in revenue from the previous period.

The company's Return on Assets (ROA) was recorded very low at the level of 2.36×10^{-6} or 0.000236%, which was obtained from net profit of IDR 16.28 million divided by total assets of IDR 6,896.78 billion. This near-zero ROA value indicates that the company is not effective in using its assets to generate profits. According to the financial risk analysis framework developed by Wang et al. (2022), a very low ROA is an indicator of high profitability risk and can be an early warning signal for potential financial distress. In the context of TOD companies, large but unproductive assets can reflect infrastructure investments that have not yet yielded optimal returns, as explained in Urban Institute research (2025) that TOD projects require a longer development period and substantial initial investment before they can generate sustainable revenue.

Return on Equity (ROE) shows a value of 6.22 x 10^{-6} or 0.000622%, which was obtained from net profit of IDR 16.28 million divided by total equity of IDR 2,616.98 billion. This very low ROE indicates that the company is not able to provide adequate returns to shareholders, where for every Rp 1,000 of capital invested, shareholders only get a return of Rp 0.00622. This condition is in contrast to the findings of Yusri (2023) who identified a positive correlation between leverage and ROE in the Indonesian property sector, where companies with optimal leverage should be able to increase returns for shareholders. However, in the case of PT Adhi Commuter Properti Tbk, high leverage did not generate adequate ROE, indicating inefficiencies in capital structure and debt utilization. These findings also confirm the results of a valuation study by researchers at the Bandung Institute of Technology (2024) which found that the company lost more than half of its market capitalization after the IPO, reflecting investors' negative perception of the company's ability to generate returns.

Ability to Pay Debt

Table 2. Debt Payment Ability Indicator of PT Adhi Commuter Properti Tbk for the period of March 31, 2025

Indicator	Value	Interpretasi
Current Ratio (CR)	1,44	Moderate
Quick Ratio (QR)	0,099	Very Low
Debt to Equity Ratio (DER)	1,64	Height
Operating Cash Flow Ratio (OCFR)	1,60%	Very Low

Source: Audited Financial Statements of PT Adhi Commuter Properti Tbk, 2025

Analysis of debt repayment shows diverse liquidity conditions with several indicators of concern. The company's Current Ratio (CR) was recorded at 1.44 which was obtained from current assets of IDR 3,661.54 billion divided by current liabilities of IDR 2,538.75 billion (see Table 2). A CR value above 1.0 indicates that the company has sufficient current assets to cover its short-term liabilities, where every Rp 1 of current liabilities is guaranteed by Rp 1.44 of current assets. Nonetheless, a CR value of 1.44 is still within the acceptable minimum for the property industry which generally requires a minimum CR of 1.5 to anticipate cash flow volatility. This condition reflects liquidity pressures that can jeopardize the company's ability to meet short-term obligations, as identified by Dwiantari and Artini (2020) that low liquidity is one of the significant factors affecting financial distress in property companies in Indonesia.

Quick Ratio (QR) shows a very worrying condition with a value of only 0.099 or 9.94%, which is obtained from current assets minus inventory (IDR 3,661.54 billion - IDR 3,409.14 billion = IDR 252.40 billion) divided by current liabilities of IDR 2,538.75 billion. A QR value below 1.0, especially at a very low level like 0.099, indicates that companies will face serious difficulties in meeting short-term obligations if they cannot immediately sell inventory or convert inventory into cash. In the context of TOD property companies, large inventories are generally in the form of property projects in development that take a long time to be sold and converted into cash, making them unreliable to meet urgent short-term obligations. These findings are in line with the Integrated Risk Management (IRM) framework proposed by Riskonnect (2025) which emphasizes the importance of effective liquidity management to identify and mitigate short-term financial risks.

The company's Debt to Equity Ratio (DER) was recorded at a level of 1.64 which was obtained from a total debt of IDR 4,279.80 billion divided by a total equity of IDR 2,616.98 billion. A DER value of 1.64 indicates that the company has debt 1.64 times greater than its equity, or in other words, for every Rp 1 of its own capital, the company has a debt of Rp 1.64. This high leverage ratio reflects a debt-dominated capital structure and increases the company's financial risk, especially in conditions of significant decline in revenue. According to research

by Yurisafira et al. (2023), high leverage negatively impacts investors' perception of the financial risks of the property sector and can reduce the value of the company. Furthermore, Saraswati et al. (2024) in a study on the determinants of financial distress in Indonesian property companies found that a high Debt to Asset Ratio is one of the main indicators that can predict financial distress conditions.

The Operating Cash Flow Ratio (OCFR) shows a value of 0.016 or 1.60% obtained from operating cash flow of IDR 40.67 billion divided by current liabilities of IDR 2,538.75 billion. This very low OCFR value indicates that the company is only able to cover 1.6% of its current liabilities through cash flows generated from business operations. This condition is particularly concerning because it shows the company's high dependence on external funding sources or asset sales to meet short-term obligations. In the context of the DS-RF model developed by Wang et al. (2022), a low OCFR is an indicator of high debt risk and significant operational growth risk, which can serve as an early warning system for potential financial difficulties.

Operational Efficiency and Productivity

Table 3. Operational Efficiency Indicators of PT Adhi Commuter Properti Tbk for the period of March 31, 2025

Indicator	Value	Interpretasi
Operating Expense Ratio (OER)	18,31%	Moderate
Inventory Turnover (IT)	1,62%	Very Low
Receivable Turnover (RT)	2,54	Moderate
Asset Turnover (ATO)	1,02%	Very Low

Source: Audited Financial Statements of PT Adhi Commuter Properti Tbk, 2025

An analysis of operational efficiency reveals various problems in the company's productivity that contribute to weak financial performance. The Operating Expense Ratio (OER) was recorded at 18.31% which was obtained from operating expenses of IDR 12.91 billion divided by sales of IDR 70.47 billion (see Table 3). Although the OER of 18.31% can be considered reasonable for the property industry, this value still needs to be considered in the context of very low profitability. When combined with a Net Profit Margin of only 0.02%, an operating expense of 18.31% of sales indicates that operational efficiency is crucial to improve the company's profitability. According to the COSO framework for *Enterprise Risk Management* described by ASHRM (2024), operational efficiency is a key component in the performance component that can affect the achievement of a company's strategic goals.

Inventory Turnover (IT) showed a very low value at the level of 0.016 or 1.62% obtained from HPP of IDR 55.17 billion divided by inventory of IDR 3,409.14 billion. This very low IT value indicates that the company takes a very long time to sell inventory or convert inventory into sales. In the context of the property industry, inventory is generally in the form of property projects in development, land, or unsold property units. IT of 0.016 indicates that only 1.62% of total inventory was successfully sold in the period, reflecting the slow turnaround of the company's property projects. This condition can be attributed to the unique characteristics of the TOD business model described by the Urban Institute (2025), where TOD projects generally require a longer development period than conventional property projects due to the complexity of coordination with transportation infrastructure and strict regulatory requirements.

Receivable Turnover (RT) showed a value of 2.54 obtained from the sale of loans of IDR 70.47 billion divided by receivables of IDR 27.71 billion. An RT value of 2.54 indicates that the company collects receivables 2.54 times in that period, or it takes about 35 days (90 days/2.54) to convert receivables into cash. Although an RT of 2.54 can be considered reasonable, a combination with a very low Quick Ratio (0.099) indicates that although the company can collect receivables in a relatively reasonable time, it is not fast enough to meet

urgent short-term obligations. This reflects an imbalance between accounts receivable management and liability management that can increase liquidity risk.

Asset Turnover (ATO) was recorded very low at the level of 0.010 or 1.02% obtained from sales of IDR 70.47 billion divided by total assets of IDR 6,896.78 billion. This very low ATO value indicates that the company is very inefficient in using its total assets to generate sales, where every Rp 1 asset is only able to generate sales of Rp 0.0102. This condition reflects significant underutilization of assets, where large assets are not productive in generating revenue. In the context of a TOD company, large assets can include investments in infrastructure, land, and projects in development that have not yet generated optimal revenue. According to Du et al. (2025), a low ATO is an indicator of poor asset quality and can be an early warning signal for potential financial distress.

Company Growth Strategy

Table 4. Growth Strategy Indicators of PT Adhi Commuter Properti Tbk for the period of March 31, 2025

Indicator	Value	Interpretasi
Growth in Sales	-13,98%	Negatives
Growth in Net Income	-99,77%	Very Negative
Retention Ratio (RR)	80%	Height
Dividend Payout Ratio (DPR)	20%	Moderate

Source: Audited Financial Statements of PT Adhi Commuter Properti Tbk, 2025

The analysis of the company's growth strategy shows a very significant decline in performance compared to the previous period. Growth in Sales showed a negative value of -13.98% obtained from a comparison of 2025 sales of IDR 70.47 billion with 2024 sales of IDR 81.92 billion (see Table 4). The decline in sales of 13.98% or around IDR 11.45 billion in one quarter period indicates a significant business contraction and reflects the serious challenges faced by the company in maintaining revenue streams. This decline in sales is in line with the findings of Stock Analysis (2024) which reported that PT Adhi Commuter Properti Tbk experienced a decrease in revenue from IDR 651.96 billion to IDR 300.32 billion in 2024, reflecting a decline of more than 50% indicating structural problems in the company's business model.

Growth in Net Income shows a very dramatic condition with a decrease of almost 100%, to be precise -99.77% obtained from the comparison of 2025 profit of IDR 16.28 million with 2024 profit of IDR 7.11 billion. The decline in net profit from IDR 7.11 billion to only IDR 16.28 million is a very worrying indicator and reflects an extreme deterioration in financial performance. This drastic decline in profit is not comparable to a 13.98% decline in sales, indicating that there is a significant increase in costs or expenses that is disproportionate to the decline in revenue. According to the enterprise financial risk analysis framework from a Big Data perspective developed by Du et al. (2025), a drastic decrease in net profit is a crucial red flag in the early warning financial distress system.

Retention Ratio (RR) was recorded at 80% or 0.80 which was obtained from profit of IDR 16.28 million minus dividends of IDR 3.26 million divided by profit of IDR 16.28 million. An RR value of 80% indicates that the company retains 80% of the profits to be reinvested back into the business, while only 20% is distributed as dividends to shareholders. Although a high retention ratio is generally positive as it indicates reinvestment for growth, in the context of PT Adhi Commuter Properti Tbk with a very small net profit (only IDR 16.28 million), the absolute amount held for reinvestment is very minimal and will not be sufficient to fund significant expansion or operational improvements. This condition reflects the dilemma between the need

to provide returns to shareholders and the need to reinvest in conditions of very low profitability.

The Dividend Payout Ratio (DPR) shows a value of 20% or 0.20 obtained from dividends of IDR 3.26 million divided by net profit of IDR 16.28 million. The DPR value of 20% indicates that the company distributes 20% of the net profit as dividends, which in the context of a very small profit means that the dividends distributed are also very minimal. The distribution of dividends of IDR 3.26 million in the condition of net profit of only IDR 16.28 million shows the company's commitment to continue to provide returns to shareholders despite challenging financial conditions. However, this dividend policy needs to be reviewed considering the need for companies to strengthen their capital structure and increase liquidity as recommended by Dwiantari and Artini (2020) in a study on the influence of leverage, liquidity, and profitability on financial distress in property companies in Indonesia.

Financial Risk Mitigation Framework and Strategy

Based on a comprehensive analysis of the financial risk profile of PT Adhi Commuter Properti Tbk, this study identifies the appropriate *Enterprise Risk Management* (ERM) framework and proposes a structured risk mitigation strategy to address the financial challenges faced by the company. The recommended framework integrates COSO *Enterprise Risk Management* with Integrated Risk Management (IRM) which is tailored to the unique characteristics of property companies based on Transit-Oriented Development. The mitigation strategy is designed in four key priorities which include liquidity risk management, leverage risk, profitability risk, and operational efficiency risk, with phased implementation over a 12-month period.

***Risk Assessment Matrix* and Priorities**

The risk assessment matrix was developed using a scoring methodology based on probability and impact, resulting in a risk score that was used for intervention prioritization. The risk of inability to pay short-term obligations obtained the highest risk score of 25 (very high probability × very high impact), followed by the risk of high interest expense that suppressed profitability with a score of 20. Both of these risks are categorized as Priority 1 (P1) which requires immediate action in the first 1-3 months. The risk of decline in sustainable income and inventory that is not absorbed by the market obtained a score of 16 and 12, respectively, categorized as Priority 2 (P2) with an implementation timeline of 3-6 months. Meanwhile, the risk of dependence on government policies TOD received a score of 12 as Priority 3 (P3) with a medium-term mitigation approach of 6-12 months.

Liquidity Risk Mitigation Strategy

To overcome the very low Quick Ratio at the level of 0.099, the mitigation strategy is designed in two phases: *quick wins* (0-3 months) and *medium-term actions* (3-6 months). The first phase includes accelerating receivables collection through a 3-5% *early payment discount program* with a target of collecting IDR 15 billion, the implementation of *the sale and leaseback* of non-productive assets worth IDR 100 billion, and the renegotiation of short-term debt tenor of 30% or IDR 760 billion to be extended to the medium term. The second phase focuses on selective sales of *slow-moving inventory* of 15% of total inventory or equivalent to IDR 511 billion with a gradual discount strategy of 10-25%, which is projected to generate *net proceeds* of IDR 400 billion. As a liquidity *buffer*, the company is recommended to apply for a *revolving credit facility* of IDR 300 billion which is guaranteed with quality receivables. The implementation of this comprehensive strategy is projected to increase the Quick Ratio from 0.099 to 0.52 in a period of 6 months, with a total *fresh* cash of IDR 515 billion from operational activities and *standby facilities* of IDR 300 billion.

High Leverage Risk Mitigation Strategy

The management of a high Debt to Equity Ratio of 1.64 requires a dual-track approach through *debt restructuring* and *equity strengthening*. The debt restructuring component includes *debt-to-equity swap* conversion of IDR 800 billion through negotiations with strategic creditors with a maximum dilution of ownership of 20%, *refinancing* of high-interest debt worth IDR 1,500 billion with a target of reducing interest rates of at least 2% which results in interest cost savings of IDR 30 billion per year, as well as the repayment of direct debt of IDR 250 billion financed from the proceeds of asset sales and inventory. To strengthen the equity structure, the company is recommended to carry out *a rights issue* or *private placement* to raise fresh capital of IDR 500 billion from strategic investors in the property or infrastructure sector, with the allocation of funds for debt reduction and working capital strengthening. In line with the findings of Dwiantari and Artini (2020) on the importance of optimal capital structure, this strategy is projected to reduce the DER from 1.64 to 1.15 through a reduction in total debt of IDR 1,050 billion and an increase in equity of IDR 1,300 billion, which confirms Yusri's (2023) recommendation on the need to *fine-tune* the debt structure to maintain sustainable leverage levels.

Profitability Improvement Strategy

To overcome the very low Net Profit Margin at 0.02%, the profitability increase strategy is designed through *revenue enhancement* and *cost optimization* approaches. Revenue increase initiatives include diversifying *revenue streams* through the development of *property management fees*, parking and retail space rental income, and the development of *co-working spaces* in the TOD area with a target contribution of IDR 50 billion per year. In line with the recommendations of He et al. (2025) on *Next-Gen TOD*, a strategic partnership strategy through *joint ventures* with domestic or international developers is recommended to implement a *risk sharing* model in new projects. Optimizing pricing strategies through *a value-based pricing* approach for premium units and *dynamic pricing* based on location and amenities is projected to increase the *average selling price* by 8%. On the cost side, the optimization program includes the reduction of Cost of Goods Sold through the renegotiation of supplier contracts with a savings target of 5% or IDR 15 billion, the implementation of *value engineering* in construction, and the reduction of operational expenses of IDR 25 billion through *headcount optimization* and energy efficiency initiatives. The implementation of this comprehensive strategy is projected to increase NPM from 0.02% to 4.5% and ROA from 0.0002% to 1.8% in the 12-month period.

Implementation Roadmap* dan *Key Performance Indicators

The implementation roadmap is structured in four phases that are integrated with *quick wins* in the initial phase to build momentum and credibility of the transformation program. Phase 1 (Stabilization, Months 1-3) focuses on *cash flow crisis management* with a target of increasing the Quick Ratio to at least 0.3 and stabilizing the payment of critical obligations. Phase 2 (Restructuring, Months 4-6) implements *debt-to-equity swaps*, refinancing, and inventory turnover acceleration with a DER target of below 1.5. Phase 3 (Optimization, Months 7-9) develops revenue diversification, increased operational efficiency, and the formation of strategic partnerships with an NPM target above 3%. Phase 4 (Growth, Months 10-12) carried out *capital raising*, new project launches, and full implementation of the ERM framework with the final target of DER below 1.2, Quick Ratio above 0.5, and NPM above 5%. In line with the DS-RF framework developed by Wang et al. (2022), the monitoring system is designed with Key Performance Indicators (KPIs) which include Quick Ratio (weekly monitoring), DER (monthly monitoring), NPM (monthly monitoring), Inventory Turnover (monthly monitoring), and Operating Cash Flow (weekly monitoring). The *early warning* system is set with three levels: RED ALERT (Quick Ratio < 0.2 or cash balance < IDR 50 billion), ORANGE ALERT (Quick Ratio 0.2-0.35 or DER > 1.5), and YELLOW ALERT (NPM < 2% or *inventory aging*

above 180 days increased by 15%), which triggers an automatic escalation to senior management according to the established protocol.

Governance Structure* dan *Contingency Planning

The risk governance structure is designed following the COSO ERM framework recommended by ASHRM (2024), with the establishment of a Risk Committee consisting of the Chief Risk Officer (CRO) as chairman, CFO for financial risk mitigation execution, COO for improving operational efficiency, and Board Risk Committee for oversight and governance. The CRO is responsible for the overall implementation of the risk strategy and reports weekly to the CEO and monthly to the Board Risk Committee. The decision-making protocol is established through a four-level escalation matrix based on the risk score: Level 1 (score 1-6) for the decision of the head of department, Level 2 (score 7-12) requires the approval of the CRO and the relevant C-suite, Level 3 (score 13-20) requires the approval of the CEO and the Board Risk Committee, and Level 4 (score 21-25) requires the full approval of the Board and notification of shareholders. In anticipation of the worst-case scenario, contingency plans are prepared for three critical situations: (1) the escalation of the liquidity crisis that triggers the activation of the Crisis Management Team within 24-48 hours, the implementation of *standstill agreements* with all creditors, and *the fire sale* of 10% inventory with a maximum discount of 30%; (2) revenue deterioration that triggered *a pivot* of pricing strategies, exploration of alternative revenues, and cost restructuring including *a 20% headcount reduction; and (3) debt default that triggered the involvement of legal counsel and restructuring, tenor extension negotiations and* covenant *exemptions, and preparation for the submission of Debt Payment Obligation Suspension (PKPU) as a last resort.*

Resource Requirements* dan *Expected Financial Impact

The implementation of a comprehensive risk mitigation strategy requires a total investment of IDR 2.6 billion for *one-time cost* and IDR 700 million per year for *annual recurring costs*, including ERM software and technology (IDR 800 million *initial* + IDR 200 million per year), risk management consultants (IDR 500 million), training and change management (IDR 300 million *initial* + IDR 100 million per year), marketing and sales transformation (IDR 600 million *initial* + IDR 400 million per year), as well as legal services and transaction advisors (IDR 400 million). With a projected Return on Investment (ROI) of 285%, this investment is expected to generate a significant financial impact in 12 months. In line with the findings of Du et al. (2025) on the importance of technology in enterprise financial risk analysis, the implementation of this comprehensive strategy is projected to increase the Quick Ratio from 0.099 to 0.52 (an increase of 425%), reduce the DER from 1.64 to 1.15 (decrease of 30%), increase the NPM from 0.02% to 4.5% (an increase of 22,400%), and increase the Asset Turnover from 1.02% to 3.2% (an increase of 214%). The cumulative impact of these improvements in financial metrics is projected to significantly reduce the risk *of financial distress* and increase the company's financial resilience in the face of the volatility of the Indonesian property market, confirming the importance of the mature implementation of ERM as recommended by previous research in improving the company's financial performance.

The findings of this study reveal a complex and worrying financial risk profile for PT Adhi Commuter Properti Tbk and its subsidiaries, which is reflected in four dimensions of a comprehensive analysis including very low profitability, significant liquidity pressure, high leverage, and weak operational efficiency. The results of the analysis show that companies face structural financial challenges that require urgent strategic interventions to increase financial resilience and avoid potential financial distress. This study integrates existing empirical findings to provide an in-depth understanding of the theoretical and practical implications of

the financial condition of Transit-Oriented Development (TOD)-based property companies in Indonesia.

The implications of this study include contributing to the understanding of *financial risk management* in the context of property companies with a hybrid TOD business model that combines property development with mass transportation infrastructure. This study fills a gap in the identified literature related to the unique characteristics of TOD that has not been widely explored in the context of financial risk management. While the classic research by Cervero (1997) on metropolis transit and the recent study on Next-Gen TOD by He et al. (2025) focus more on aspects of urban planning and socio-economic impacts, this study provides an in-depth perspective on financial *risk management* on TOD companies. The research findings confirm that the complexity of the TOD business model creates a different risk profile than conventional property companies, requiring a more sophisticated risk management framework that can holistically integrate market risk, construction risk, regulatory risk, and operational risk. This study also confirms the relevance of the trade-off theory in capital structure, where companies with high leverage but low profitability face an inoptimal trade-off between the tax benefits of debt and *the costs of financial distress*.

The limitations of this study provide an appropriate context for the interpretation of the findings. First, this study uses cross-sectional data from one period (March 31, 2025) that does not capture long-term trends and seasonal variations that may be significant in the property industry. Longitudinal research with multiple time periods will provide a more robust understanding of the trajectory of financial performance and the evolution of the company's risk profile. Second, this study focuses on quantitative analysis using financial ratios without in-depth qualitative analysis of non-financial factors such as quality of management, strategic positioning, competitive advantages, and organizational capabilities that can affect the company's ability to manage financial risks. The integration of qualitative analysis with methods such as case study interviews or content analysis of the company's strategic documents can provide deeper insights. Third, as a single-case study on PT Adhi Commuter Properti Tbk, the research findings may not be generalized directly to other TOD property companies that may have different characteristics in terms of scale, geographic location, or business model specifics.

This research makes a significant contribution in understanding the financial risk profile of Transit-Oriented Development-based property companies in Indonesia and identifies various areas that require strategic interventions to improve financial resilience. The findings of the study confirm the hypothesis that TOD property companies in Indonesia face unique challenges that require a comprehensive and specific financial risk management framework, and provide empirical evidence supporting the importance of effective *implementation of Enterprise Risk Management* to improve the performance and sustainability of TOD-based property companies.

CONCLUSION

This study identifies the comprehensive financial risk profile faced by PT Adhi Commuter Properti Tbk as a Transit-Oriented Development (TOD)-based property company in Indonesia. An in-depth analysis of the company's financial statements and performance reveals critical findings that the company faces multidimensional challenges that include market risk, credit risk, liquidity risk, and interrelated operational risks. The drastic decline in revenue from IDR 651.96 billion to IDR 300.32 billion in 2024, the loss of more than 50% of the post-IPO market capitalization, and the high reliance on external funding indicate the urgency of implementing a comprehensive and integrated *Enterprise Risk Management* (ERM) framework.

The implications of this study enrich the understanding of the unique characteristics of financial risk on the TOD business model that combines property development with mass

transportation infrastructure, contributing to the financial risk management literature in emerging markets. In practical terms, these findings provide a blueprint for TOD property industry practitioners to adopt an Integrated Risk Management approach that includes portfolio diversification, capital structure optimization, and implementation of financial ratio-based early warning systems. The findings of this study encourage further exploration in various fields of study. It is necessary to develop a TOD-specific risk prediction model by utilizing machine learning and big data analytics. Multi-case comparative studies between TOD companies in different countries need to be conducted to improve the generalization of the findings. The integration of in-depth qualitative analysis through case studies and interviews is necessary to understand the strategic and organizational dimensions in risk management. Investigating the impact of Environmental, Social, and Governance (ESG) factors on the risk profile and valuation of TOD property companies is a relevant research agenda.

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