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From Balance-Sheet Repair to Core-Earnings Renewal: A Second-Stage Turnaround Framework for PT Pembangunan Jaya Ancol Tbk

Loso Judijanto

IPOSS Jakarta, Indonesia

ABSTRACT

This study examines the remaining turnaround opportunities of PT Pembangunan Jaya Ancol Tbk (PJAA) after its post-pandemic financial recovery and develops an integrated framework for restoring sustainable operating performance. The study combines longitudinal financial analysis covering 2019 through the first half of 2026 with a qualitative literature review of recent research on corporate turnaround, business-model innovation, dynamic capabilities, financial flexibility, revenue management, service innovation, smart tourism, sustainability, and destination resilience. The evidence reveals an important divergence. PJAA has substantially strengthened liquidity, reduced leverage, lowered financing pressure, and restored positive operating cash generation. However, recurring operating economics have weakened. Revenue declined in 2025, ticket revenues contracted materially, gross margin compressed, and first-half 2026 revenue growth was almost flat while direct costs increased considerably. Furthermore, reported 2025 profitability was materially supported by a non-recurring toll-road compensation item, indicating the importance of separating reported from recurring earnings. The paper argues that PJAA has largely completed the balance-sheet phase of its turnaround but requires a second-stage transformation centred on visitor yield, revenue diversification, cost and asset productivity, disciplined capital allocation, digital customer management, service innovation, and sustainability-led operating efficiency. A three-horizon framework-stabilise, restore, and renew-is proposed together with an integrated performance-management architecture.

*Corresponding author

Loso Judijanto, IPOSS Jakarta, Indonesia.

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Introduction

Corporate turnaround is frequently interpreted as the transition from losses to profits. Such an interpretation is incomplete, particularly for asset-intensive service and tourism businesses. A company may restore liquidity, restructure debt, and report positive net income while its underlying operating economics continue to deteriorate. Sustainable turnaround therefore requires more than financial survival: it requires restoration of recurring earnings, productivity, customer value creation, disciplined investment, and organisational capacity to adapt continuously. Recent research similarly conceptualises turnaround as a process in which restructuring and retrenchment must eventually be complemented by business-model renewal, innovation, and capability reconfiguration rather than remaining permanent defensive strategies [1-3].

PT Pembangunan Jaya Ancol Tbk provides a particularly relevant case. The Group combines tourism and recreation with real-estate-related activities and operates an integrated destination ecosystem in North Jakarta. Long before the COVID-19 shock, Ancol had pursued attraction renewal, service-quality improvement, environmental management, beach revitalisation,

waste-management programmes and ISO-based quality and environmental management. These initiatives were intended to strengthen the destination's attractiveness and long-term value creation [4].

The pre-pandemic benchmark illustrates the scale of the subsequent disruption. In 2019, PJAA reported revenue of Rp1.359 trillions, gross profit of Rp701.4 billion, operating profit of Rp438.7 billion and net profit of Rp233.0 billion; net operating cash flow was approximately Rp298.4 billion. These figures provide a useful benchmark for the earnings and cash-generation capacity of the business before the extraordinary pandemic shock.

The disruption was severe. Revenue fell to Rp414.2 billion in 2020 and Rp389.3 billion in 2021, while operating losses reached Rp276.2 billion and Rp122.9 billion, respectively; net losses were Rp393.9 billion in 2020 and Rp276.4 billion in 2021. Operating cash-flow was also negative in both years, at approximately Rp25.3 billion negative in 2020 and Rp83.0 billion negative in 2021, making financial restructuring a prerequisite for survival and subsequent recovery [5].

The recovery accelerated in 2022-2023. Revenue increased from Rp957.9 billion in 2022 to Rp1.274 trillion in 2023, while operating profit rose from Rp291.9 billion to Rp447.2 billion and net profit from Rp152.5 billion to Rp241.3 billion. Net cash generated by operating activities reached Rp313.7 billion and Rp340.6 billion, respectively, indicating that the recovery was supported by both earnings and cash generation [6].

However, the subsequent evidence is less comfortable. Revenue declined from Rp1.266 trillion in 2024 to Rp1.121 trillion in 2025, while gross profit decreased from Rp666.8 billion to Rp511.7 billion and reported operating profit declined from Rp372.4 billion to Rp324.9 billion. Net profit nevertheless increased slightly from Rp176.3 billion to Rp180.0 billion, partly because other income in 2025 reached Rp224.7 billion and included Rp175.917 billion of compensation associated with land acquisition for the Harbour Road II toll-road project; the amount concerned 7,185 square metres of land and was received on 5 January 2026 [7].

The first half of 2026 strengthens the case for a second-stage turnaround. Revenue increased only marginally from Rp495.5 billion in H1 2025 to Rp498.7 billion in H1 2026, while gross profit fell from Rp212.1 billion to Rp191.3 billion, operating profit from Rp85.8 billion to Rp57.5 billion, and net profit from Rp21.5 billion to only Rp1.36 billion. The critical problem is therefore no longer simply pandemic recovery or financial survival, but whether PJAA can rebuild recurring earnings quality and productivity while continuing to invest sufficiently in destination attractiveness [8].

This study addresses that problem by combining a longitudinal analysis of PJAA's financial statements with a qualitative literature review. Four related gaps justify the approach. First, corporate-turnaround research and tourism-management research are often treated separately. Second, conventional turnaround analysis frequently emphasises restructuring without adequately considering visitor experience and revenue yield. Third, tourism recovery analysis can focus on demand recovery without distinguishing recurring from non-recurring corporate earnings. Fourth, for capital-intensive destinations, future performance depends on how improved financial flexibility is converted into productive investment rather than merely accumulating liquidity or engaging in indiscriminate capital expenditure.

Accordingly, the study addresses the following questions: How has PJAA's performance evolved from the pre-pandemic period through H1 2026? Why has liquidity improved while recurring operating profitability has weakened? Which revenue, cost, asset-productivity and capital-allocation levers offer the greatest scope for improvement? How can digitalisation and service innovation increase visitor yield and repeat demand? Finally, what phased managerial architecture could transform balance-sheet recovery into sustained operating and strategic renewal?

The contribution is twofold. Academically, the article connects corporate-turnaround theory with revenue-management, destination-management and dynamic-capability literature. Managerially, it develops a second-stage turnaround architecture that moves beyond generic recommendations to connect financial diagnosis with concrete value drivers such as ticket yield, total spend per visitor, utilities productivity, asset utilisation, recurring operating margin, cash conversion and return on invested capital.

Literature Review

Corporate Turnaround and Business-Model Renewal

Turnaround research distinguishes actions designed to stop deterioration from those intended to create a sustainable new trajectory. Retrenchment can preserve liquidity and reduce immediate losses, but it does not necessarily create new customer value. Shahri demonstrates the relevance of business-model innovation in successful turnaround cases, while Tao et al. show that the effectiveness of retrenchment depends on its organisational configuration rather than on cost reduction alone. Process-oriented research further characterises business-model innovation as a

sequence of interconnected mechanisms rather than a single management action [9].

The broader business-model literature reinforces this interpretation. Business-model innovation is positively associated with performance through changes in value creation, delivery and capture mechanisms, although its effectiveness is dynamic and lifecycle-dependent rather than universal [10]. Resource-constrained firms can use tailored modelling processes to stimulate growth, while crisis research shows that temporary business-model innovation can help firms redeploy capabilities when established operating models become infeasible. More recent evidence also links managerial capabilities with strategic renewal under crisis conditions, reinforcing the need to treat renewal as a capability-dependent process rather than a simple spending decision. Digital transformation can further enhance the performance consequences of restructuring when the two are implemented jointly rather than independently [11-14].

Dynamic Capabilities and Organisational Resilience

Dynamic-capability theory is especially relevant after a major external shock. Firms must sense changes in customer behaviour, seize commercially viable responses, and reconfigure assets and operating routines; empirical evidence indicates that dynamic capabilities support competitive performance directly and through innovation and open-innovation mechanisms [15-17]. Tourism-specific research similarly shows that resilience is built through staged combinations of adaptive, innovative and regenerative capabilities rather than a single response, while collaboration and strategic human-resource practices can reinforce adaptive capability [18,19]. The value of these capabilities nevertheless depends on organisational and environmental conditions rather than arising automatically [20].

Environmental shocks make this adaptive dimension particularly important. Colombo et al. (2021) find that capability reconfiguration after a major environmental jolt can support subsequent performance, while Ilseven and Puranam conceptualise organisational resilience as an observable performance outcome rather than merely an abstract organisational characteristic. These perspectives imply that PJAA's resilience should not be judged only by whether it survived the pandemic. A stronger test is whether the post-shock organisation can continuously adapt its attraction portfolio, prices, service processes, asset deployment and customer relationships to new demand conditions [21,22].

Financial Flexibility and Working-Capital Management

Financial flexibility is a strategic capability because liquidity and borrowing capacity create options when revenues decline unexpectedly or attractive investment opportunities arise. Evidence from the COVID-19 shock shows that firms entering the disruption with greater financial flexibility were better positioned to absorb abrupt revenue losses [23].

Working-capital efficiency is equally important but should not be simplified into a rule that "less working capital is always better." Cross-country evidence shows meaningful relationships between cash-conversion-cycle components and corporate performance, with differences across economic contexts [24]. Hospitality and tourism research identifies nonlinear relationships between working capital and performance, implying that both shortages and excessive balances can be value destructive [25]. Crisis-period studies reinforce the role of working-capital management in corporate performance, while governance quality can affect performance partly through improved working-capital discipline [26,27].

For PJAA, these findings imply that deleveraging and liquidity improvement should be interpreted as means rather than final objectives. Once a minimum resilience buffer is secured, the strategic question becomes how financial flexibility should be allocated between further debt reduction, maintenance, experience-enhancing investment, digital capability, sustainability investment and growth capital.

Revenue Management, Pricing and Visitor Economics

Revenue management attempts to optimise revenue from constrained and perishable capacity through segmentation, forecasting, differentiated pricing and inventory control. Contemporary hospitality research shows a movement from fixed-rate structures toward increasingly dynamic and customer-specific pricing architectures [28]. Forecasting quality is an important precondition for effective revenue-management decisions, while revenue management is increasingly understood as a strategic rather than merely tactical pricing discipline [29,30].

Digitalisation further expands these possibilities by integrating customer data with pricing and inventory decisions [31]. At destination level, revenue optimisation can require cooperation across attractions, accommodation, retail and other stakeholders rather than decisions within individual units alone [32]. However, price optimisation also creates fairness risks; transparency and customer perceptions must therefore be managed to avoid destroying willingness to pay [33].

For an integrated destination such as Ancol, these findings suggest that management should shift from an exclusive focus on attendance toward an expanded visitor-economics framework. The relevant measures are not merely number of visitors and ticket revenue, but also net ticket yield, ancillary spend, total contribution per visitor, frequency of visitation, annual customer value and utilisation of capacity by day and time period

Theme-Park Experience, Satisfaction and Smart Tourism

Cost reduction in tourism businesses contains a fundamental strategic tension: many expenditures that appear controllable in accounting terms also influence the customer experience that generates future revenue. Theme-park research demonstrates that crowding and internal navigation affect visitor experience, satisfaction, willingness to pay and revisit behaviour (Milman et al., 2020). Social-media and geospatial analytics can also reveal where specific emotions occur within a theme park and therefore identify opportunities for experience redesign [34].

Research undertaken following the pandemic further demonstrates that perceived risk can influence participation, service experience and recommendation intentions while marketing-mix elements are associated with customer-service satisfaction in edutainment attractions [35,36]. Smart-tourism technology can improve satisfaction, memorable experiences and destination loyalty when technological interactions enhance rather than complicate the customer journey [37,38]. Research specifically on amusement parks also identifies accessibility, informativeness, interactivity and personalisation as central attributes in smart-tourism experience design, which strengthens the case for integrating digital design with attraction operations [39]. Emerging evidence concerning smart-tourism applications similarly highlights customer experience, attitudes and repurchase intentions [40].

These findings are central to the proposed PJAA turnaround. An attraction that cuts maintenance, staffing or entertainment costs aggressively may improve short-term expense ratios but

simultaneously weaken uptime, cleanliness, queue management, perceived safety or emotional engagement. The appropriate objective is therefore productive efficiency, not indiscriminate austerity.

Service Innovation and Digital Transformation

A meta-analysis by Feng et al. finds an overall positive relationship between service innovation and firm performance, although the effect depends on contextual and measurement conditions. In hospitality settings, external knowledge, open innovation and internal innovation can strengthen service innovation and business performance [41,42]. Co-creation and technological innovation likewise contribute to service innovation and firm outcomes [43].

The relationship becomes particularly important in uncertain environments. Akbari et al. show that service innovation can affect performance directly and indirectly through service quality and customer satisfaction, with market-sensing and customer-linking capabilities playing important roles. Digital transformation in tourism and hospitality increasingly integrates technology with knowledge-management and organisational processes rather than treating technology as a stand-alone IT project and firm-level evidence indicates that digital transformation can strengthen tourism-company resilience by improving organisational flexibility and sustainable operating capability [44-46].

Accordingly, the relevant digital opportunity for PJAA is not simply an application redesign. It is the creation of a commercial operating system integrating customer identification, ticketing, behaviour, purchasing history, attraction use, offer response, repeat visitation and service recovery.

Sustainability, Green Innovation and Financial Performance

Sustainability can influence hospitality performance through several mechanisms: reducing resource intensity, strengthening brand perception, supporting customer loyalty, mitigating operational risk, and preserving destination assets. Hotel-sector research shows relationships between environmental innovation strategy, green-innovation performance and customer loyalty, while broader hospitality research describes green innovation as a mechanism connecting environmental orientation with competitive advantage [47-49].

Empirical work also connects green innovation with multidimensional sustainability performance [50]. Socially responsible tourism and hospitality companies displayed differentiated resilience during the pandemic, while global tourism evidence indicates associations between sustainability dimensions and corporate financial or market outcomes [51-53]. Recent hospitality research further links green-innovation orientation and digital-technology implementation with both financial and non-financial performance, and Indonesian tourism evidence indicates that green-innovation readiness can support economic, environmental and social sustainability outcomes [54,55]. Environmentally sustainable development and green innovation may also support favourable brand perceptions and price premiums [56].

For Ancol, sustainability should therefore be incorporated into operating economics. Energy, water, waste, coastal-environment management and asset resilience are simultaneously environmental and financial issues. A utility-efficiency investment that reduces energy consumption per visitor is not merely an ESG initiative; it is a recurring-margin intervention.

Destination Governance and Indonesian Context

Destination competitiveness depends on coordination because visitors consume a system of experiences rather than isolated corporate products. Hartman (2023) argues that destinations should be understood as complex adaptive systems in which resilience requires adaptive capacity rather than reactive problem solving.

Indonesia-specific evidence reinforces this view. King et al. show that resilience in Indonesian marine tourism requires adaptation beyond simple restoration of previous conditions, while Wibowo and Hariadi identify continuing resilience challenges across Indonesian tourism destinations following COVID-19. Jakarta destination-brand research also shows how destination image can influence visitor perceptions and behavioural intentions, reinforcing the importance of the broader urban environment within which Ancol competes [57,58].

The literature therefore supports an integrated theoretical proposition: sustainable turnaround in an urban leisure destination emerges from the interaction of financial flexibility, dynamic capabilities, visitor economics, service quality, innovation, productive resource use and adaptive destination governance rather than from any single restructuring instrument. This integrated perspective provides the conceptual basis for interpreting PJAA's post-pandemic trajectory and the sequencing of its proposed second-stage turnaround.

Method

Research Design

This study adopts a qualitative literature review (QLR) integrated with a longitudinal case-informed financial diagnosis. It is explicitly not a systematic literature review. Accordingly, the purpose is not to claim exhaustive coverage of every publication matching predetermined database criteria, nor to apply PRISMA-based screening. Instead, literature is selected purposively to construct, compare and integrate theoretical explanations relevant to PJAA's performance trajectory and turnaround problem.

The literature component focuses on reputable peer-reviewed journal studies published principally between 2020 and 2026. The conceptual domains were corporate turnaround, business-model innovation, dynamic capabilities, organisational resilience, financial flexibility, working-capital management, tourism revenue management, theme-park experience, service innovation, digital transformation, sustainability, and destination governance. Citation-based extension was used where one stream connected theoretically with another.

Corporate Evidence

The corporate evidence consists of the company's 2019 annual report, audited consolidated financial statements covering 2020-2025, and interim consolidated statements for the six months

ended 30 June 2026. Together, these sources provide a longitudinal window containing four analytically distinct periods: the pre-pandemic benchmark, pandemic shock, post-pandemic recovery and subsequent margin-pressure period.

Financial analysis uses horizontal comparisons, margins, liquidity indicators, leverage, cash-flow measures, revenue composition, direct-cost structures and selected balance-sheet relationships. All calculated ratios in this article are author calculations based on the reported financial statements rather than additional metrics reported by the company.

Particular attention is given to earnings quality. Where the paper presents "illustrative normalised" operating profit, this is not represented as an audited non-GAAP measure. It is an analytical bridge that removes one explicitly identified material non-recurring item to demonstrate the sensitivity of reported performance to earnings composition.

Analytical Synthesis

The analysis follows an abductive approach. Corporate evidence was first organised into recurring themes-revenue trajectory, gross margin, operating profit, liquidity, debt, cash generation, revenue mix, direct costs and capital expenditure. These observations were then compared with theoretical mechanisms identified in the QLR.

Seven overarching themes emerged: (1) earnings quality and turnaround stage; (2) visitor demand and yield; (3) ancillary and ecosystem monetisation; (4) cost and asset productivity; (5) financial flexibility and capital allocation; (6) digital and service innovation; and (7) sustainability, resilience and destination governance. These themes were used as an organising framework for pattern matching between the financial evidence and the contemporary literature.

The study avoids inferring causality where the public financial statements do not provide sufficient operational information. For example, an increase in utilities expense is identified as a significant diagnostic signal, but the available statements alone cannot distinguish tariff increases from higher consumption, operating-hour changes, attraction mix, or accounting reclassification. Such items therefore become priority management questions rather than unsupported causal conclusions.

Results

From Pre-Pandemic Strength to Shock, Recovery and Margin Compression

Table 1 summarises PJAA's financial trajectory. The pattern is not a simple recovery curve. Instead, it contains a severe shock, a rapid recovery, followed by a new phase in which the balance sheet continued improving but margins weakened.

Table 1. Longitudinal Financial Performance of PJAA

Period	Revenue (Rp bn)	Gross profit	Operating profit	Net profit	Operating cash flow	Gross margin	Operating margin
2019	1,358.6	701.4	438.7	233.0	298.4	51.6%	32.3%
2020	414.2	50.0	-276.2	-393.9	-25.3	12.1%	-66.7%
2021	389.3	99.9	-122.9	-276.4	-83.0	25.7%	-31.6%
2022	957.9	544.0	291.9	152.5	313.7	56.8%	30.5%
2023	1,273.8	697.0	447.2	241.3	340.6	54.7%	35.1%
2024	1,265.9	666.8	372.4	176.3	170.1	52.7%	29.4%
2025	1,121.2	511.7	324.9	180.0	178.4	45.6%	29.0%*
H1 2025	495.5	212.1	85.8	21.5	29.9	42.8%	17.3%
H1 2026	498.7	191.3	57.5	1.4	185.7	38.4%	11.5%

Note: Reported operating margin is shown for 2025; the reported operating result includes significant other income. H1 figures are interim and should not be compared mechanically with full-year values. Source: author calculations based on PT Pembangunan Jaya Ancol Tbk.

The 2022–2023 recovery was genuine in both income-statement and cash-flow terms. The problem appears after the recovery: revenue plateaued and then declined, while gross margin fell from 54.7% in 2023 to 52.7% in 2024 and 45.6% in 2025. The deterioration continued to 38.4% in H1 2026.

Figure 1 is intended to make this regime change visually explicit. Rather than depicting the company’s history as a uniform improvement from the pandemic trough, it separates pre-pandemic capacity, shock, recovery, and the recent earnings-quality/margin challenge.

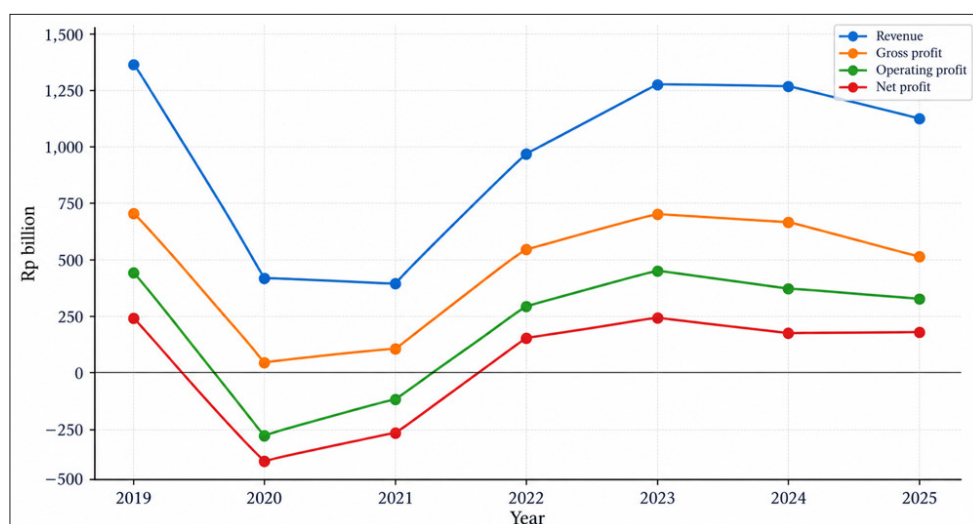


Figure 1: Pjaa Annual Financial Performance Trajectory, 2019-2025

Figure 1 shows that the business recovered rapidly after 2021, but it also indicates that 2023 represented a local post-pandemic operating peak. Revenue did not continue its recovery trajectory in 2024-2025, and both gross and operating profit weakened, demonstrating that a firm can move beyond acute financial distress while still requiring a strategic operating turnaround.

Balance-Sheet Repair Has Advanced Further Than Earnings Repair

The company’s liquidity profile has improved substantially. At year-end 2024, current assets of Rp672.2 billion were only modestly above current liabilities of Rp569.6 billion; by year-end 2025, current assets had increased to Rp858.9 billion while current liabilities declined to Rp386.4 billion. The resulting current ratio improved from approximately 1.18x to 2.22x.

At 30 June 2026, current assets stood at Rp719.1 billion against current liabilities of Rp283.7 billion, implying a current ratio

of approximately 2.54x. Total liabilities were Rp1.648 trillion compared with equity of Rp1.820 trillion, yielding an indicative liabilities-to-equity ratio of approximately 0.91x.

Interest-bearing bank and bond debt also declined materially from pandemic-period levels. At the end of 2021, PJAA reported Rp900.8 billion of long-term bank debt together with approximately Rp729.8 billion of current and long-term bonds; by the end of 2025, reported bank and bond debt had fallen to approximately Rp761.2 billion and by 30 June 2026 to approximately Rp683.7 billion. Finance expense in H1 2026 was Rp33.2 billion, down from Rp38.0 billion in H1 2025.

These indicators show that the company’s immediate strategic constraint has changed. The business no longer exhibits the same acute liquidity and financing profile that characterised the pandemic era. Financial flexibility is increasingly available. Consistent with the literature, that flexibility creates strategic option value-but only

if capital is directed toward activities capable of strengthening sustainable returns rather than simply expanding the asset base.

Earnings Quality Changes the Interpretation of 2025

Reported 2025 net profit increased slightly even though revenue and gross profit declined, which makes income composition central to interpretation. Headline earnings therefore need to be decomposed before they are used as evidence of recurring turnaround progress.

The financial statements report other income of Rp224.658 billion in 2025 compared with Rp23.242 billion in 2024. Within 2025 other income, Rp175.917 billion came from compensation for the Harbour Road II toll-road project, arising from land acquisition for a national strategic project.

For diagnostic purposes, subtracting only this explicitly identified Rp175.917 billion item from reported operating profit of Rp324.852 billion gives an illustrative adjusted figure of approximately Rp148.935 billion. Relative to 2025 revenue of Rp1.121 trillion, this equals approximately 13.3%.

This figure must not be interpreted as the company's officially defined "core profit." It does not adjust for every potentially recurring or non-recurring component. Its purpose is narrower: it demonstrates that the interpretation of 2025 changes materially when one large non-routine source of income is removed.

Figure 2 presents the earnings-quality bridge and isolates the identified toll-road compensation from reported operating profit. It is intended as a diagnostic illustration rather than as an audited alternative performance measure.

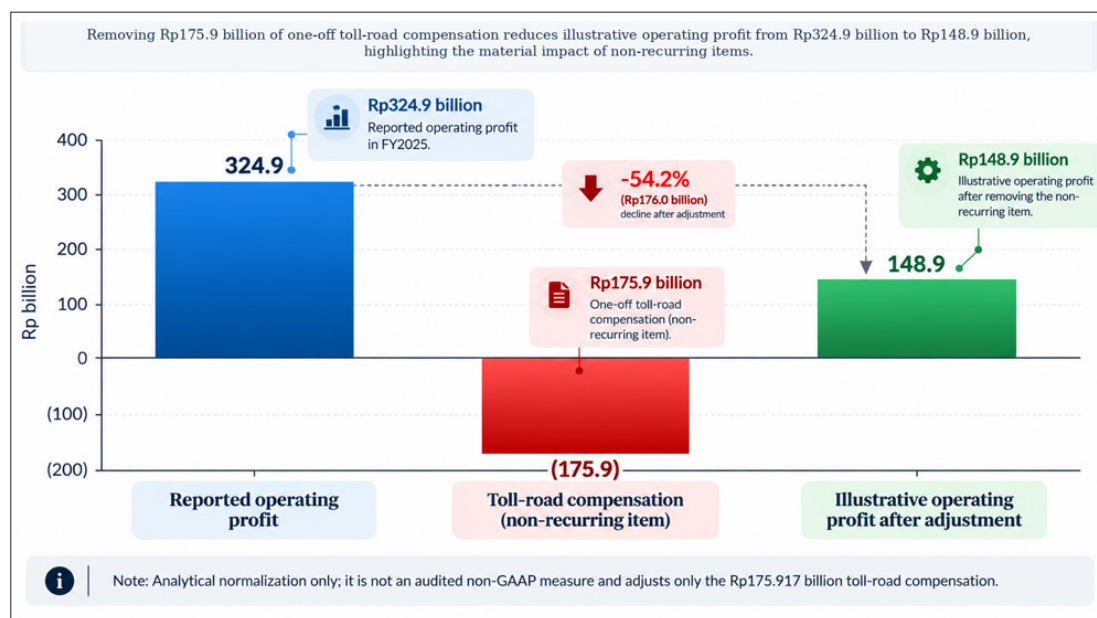


Figure 2: Illustrative FY2025 Earnings-Quality Bridge

Figure 2 supports a core proposition of this study: reported profitability and recurring earning power are not identical. Turnaround governance should therefore institutionalise a recurring-earnings bridge that separates attraction and service economics from compensation, disposal gains, impairment recoveries and other unusual items, so management decisions are anchored in underlying operating performance.

Revenue Mix Indicates That the Main Weakness Is the Visitor Core

The decline in 2025 was concentrated heavily in ticket-related activities. Total ticket revenue fell from Rp907.184 billion in 2024 to Rp737.706 billion in 2025, a decline of approximately 18.7%; amusement-park revenue decreased from Rp598.701 billion to Rp483.215 billion, while gate revenue declined from Rp308.483 billion to Rp254.491 billion.

Hotel and restaurant revenue also declined, from Rp76.848 billion to Rp68.542 billion, whereas other business revenues increased from Rp277.598 billion to Rp316.950 billion. Within the latter category, housing-management revenue rose from Rp27.013 billion to Rp72.525 billion and sponsorship from Rp30.413 billion to Rp41.873 billion, while rental revenue declined modestly.

Table 2 disaggregates the main changes in PJAA's revenue mix across FY2024-FY2025 and H1 2025-H1 2026. The comparison is useful because it separates weakness in ticket-driven revenue from growth in selected non-ticket categories.

Table 2 : Selected Revenue-Mix Changes

Revenue category	2024 (Rp bn)	2025 (Rp bn)	Change	H1 2025	H1 2025	H1 2025
Ticket revenue	907.2	737.7	-18.7%	332.6	328.5	-1.2%
Hotel & restaurant	76.8	68.5	-10.8%	32.1	37.1	+15.4%
Other operating revenue	277.6	317.0	+14.2%	131.5	134.4	+2.2%
Rental	154.8	149.9	-3.2%	75.1	52.8	-29.7%
Housing management	27.0	72.5	+168.5%	17.9	38.8	+116.9%
Sponsorship	30.4	41.9	+37.7%	12.6	17.5	+38.6%

H1 2026 confirms a mixed picture. Ticket revenue was approximately Rp328.5 billion versus Rp332.6 billion in H1 2025, whereas hotel and restaurant revenue increased to Rp37.1 billion, housing-management revenue more than doubled, sponsorship increased, and merchandise revenue also improved. Conversely, rental revenue declined materially.

The implication is significant. PJAA does not face uniform weakness across every revenue line. The central economic challenge is the performance of the visitor-driven core combined with the need to extract greater value from the broader destination ecosystem. This favours a turnaround design centred on attendance × net ticket yield × ancillary spend × repeat frequency, rather than relying primarily on asset disposals or unusual income.

H1 2026 Reveals an Increasing Cost–Revenue Mismatch

The first half of 2026 is particularly informative because revenue increased only 0.65% while cost of revenues and direct costs rose from Rp283.345 billion to Rp307.361 billion, or approximately 8.5%. This divergence indicates that the most immediate performance challenge is not merely top-line growth but the conversion of revenue into gross and operating contribution.

Several individual lines deserve management attention. Direct salaries and allowances increased from Rp43.705 billion to Rp63.270 billion, utilities from Rp26.928 billion to Rp47.468 billion, depreciation and amortisation from Rp64.297 billion to Rp67.790 billion, service-level agreements from Rp13.765 billion to Rp27.302 billion, and work supplies and operations from Rp7.177 billion to Rp10.829 billion; meanwhile, outsourcing expense declined from Rp42.807 billion to Rp4.588 billion.

The outsourcing/SLA movements illustrate why cost analysis cannot rely on line-item percentages alone. Some activity may have migrated between accounting classifications. Combined outsourcing plus SLA expense actually decreased, from approximately Rp56.6 billion to Rp31.9 billion. A management turnaround therefore requires operational-driver accounting that links costs to labour hours, operating hours, visitor volumes, attraction availability and service units.

Utilities warrant specific examination. The increase is too large to be treated as an immaterial variance, although the financial statements alone do not establish whether it resulted from energy consumption, tariffs, operating hours, attraction mix, or other factors. The appropriate recommendation is therefore an engineering-supported utility bridge decomposing price, volume, intensity and asset factors.

The outcome of these cost movements is visible in margins. Gross margin declined from approximately 42.8% in H1 2025 to 38.4% in H1 2026, while operating margin declined from approximately 17.3% to 11.5%. Net margin fell from 4.3% to only around 0.3%.

Figure 3 compares the H1 2025 and H1 2026 margins directly and shows the scale of compression across gross, operating and net profitability. The visual comparison complements the cost-line analysis by making the decline in conversion efficiency explicit.

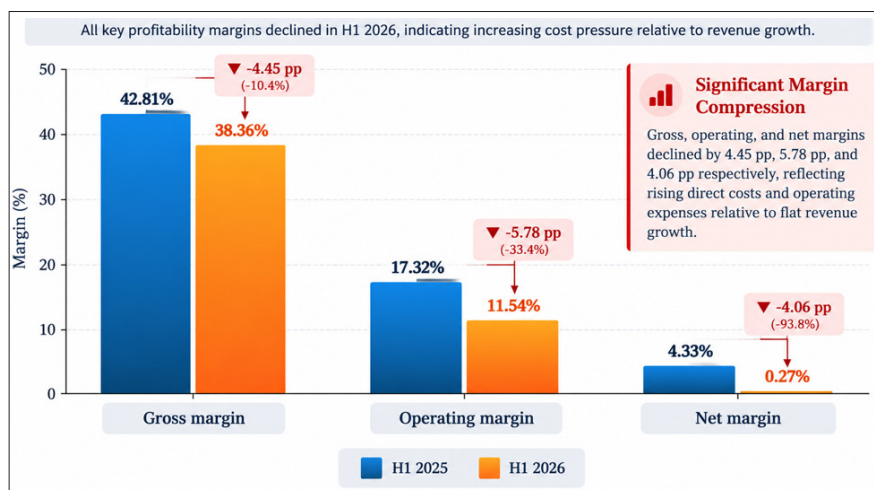


Figure 3: Margin Compression: H1 2025 Versus H1 2026

Figure 3 shows why a strategy based solely on revenue recovery would be insufficient. Even if revenue growth accelerates, PJAA must prevent incremental revenue from being absorbed by labour, energy, service and capital-intensity costs; the relevant objective is therefore contribution expansion rather than top-line expansion alone.

Operating Cash Flow Is a Strength, but Its Quality Requires Monitoring

Cash flow provides a more encouraging signal. Net cash generated from operations in H1 2026 was Rp185.670 billion compared with Rp29.865 billion in H1 2025, while customer receipts rose to Rp664.555 billion and payments to suppliers and third parties declined. The company also used approximately Rp126.0 billion in financing activities, including repayments of bank debt and bonds and dividend payments.

This divergence—very low net profit but high operating cash generation—is potentially positive, but it should not be extrapolated mechanically. Interim operating cash flow can be influenced strongly by customer advances, collection timing, tax payments, accrual settlement and other working-capital movements. Consequently, a turnaround dashboard should reconcile EBITDA/operating profit to operating cash flow by recurring working-capital driver.

The broader historical pattern nevertheless demonstrates a substantial recovery from pandemic cash stress. Operating cash flow was negative in 2020–2021 but increased to Rp313.7 billion in 2022 and Rp340.6 billion in 2023, while operating cash flow remained positive at Rp178.4 billion in 2025.

Capital Productivity Is the Next Balance-Sheet Question

Improved liquidity creates investment capacity, but the size of assets under construction makes capital productivity particularly important. At 30 June 2026, assets under construction amounted to Rp801.460 billion compared with Rp774.103 billion at the end of 2025, with additions involving renovation and innovation across Dunia Fantasi, Ocean Dream Samudra and Taman Impian.

More importantly, assets under construction associated with the area-expansion project amounted to approximately Rp582.867 billion at June 2026 versus Rp561.001 billion at December 2025. The notes link this project to a 155-hectare development approval comprising approximately 35 hectares for the Dunia Fantasi expansion and 120 hectares for Taman Impian Ancol Timur.

The expansion component therefore represented roughly 73% of total construction in progress at June 2026. This does not demonstrate that the project is unattractive; public financial statements are insufficient to make that judgment. It does demonstrate that **capital-allocation discipline must become a central component of the turnaround**, because a substantial amount of financial capacity is tied to projects whose future cash-generation characteristics will materially affect returns.

Discussion and Analysis

PJAA Requires a Second-Stage Turnaround

The combined evidence indicates that the term “turnaround” should be divided into at least two stages. This distinction separates crisis-era balance-sheet repair from the subsequent task of rebuilding recurring operating economics and strategic renewal.

The first-stage turnaround was primarily a **survival and financial-repair turnaround**. It involved restoring demand, returning to

positive operating profit, generating cash, reducing refinancing pressure and rebuilding liquidity. The movement from losses in 2020–2021 to substantial profits and operating cash generation in 2022–2023 demonstrates that this stage was largely successful.

The emerging requirement is different. PJAA now faces an operating-economics turnaround. The core challenges are declining ticket revenue, gross-margin compression, cost growth that exceeds revenue growth, significant capital tied in construction projects, and reported profits affected by non-recurring items. This is exactly where the distinction between retrenchment and business-model renewal becomes important. Turnaround literature suggests that defensive actions can halt decline but long-run recovery requires reconfiguration of how value is created and captured.

The proposed second-stage turnaround is therefore dual track. Track A should eliminate economic leakage arising from utilities inefficiency, poorly structured labour or service arrangements, unproductive promotional discounting, underused assets, procurement leakage and capital projects that fail to meet economic hurdles. Track B should reinvest selectively in demand quality through attraction reliability, new experiences, CRM, customer analytics, visitor personalisation, digital journeys, food and beverage, retail, sponsorship and event monetisation that increase willingness to visit, spend and return.

The two tracks must proceed together. Excessive cost reduction can damage the visitor experience; excessive reinvestment without economic discipline can destroy returns.

Turnaround Pillar 1: Rebuild Visitor Economics

The most important commercial shift is from visitor-volume management to visitor-economics management. The approach should evaluate not only how many people enter the destination but also the contribution generated by each visit and the economics of acquiring that demand.

Management should therefore establish a daily visitor-economics equation and use it consistently across pricing, promotion and operating reviews. The formulation below separates attendance from yield and incremental visitor-driven cost so that commercial activity can be evaluated on contribution rather than ticket volume alone.

Visitor Contribution = (Visitors × Net Ticket Yield) + Ancillary Gross Profit – Visitor-Driven Incremental Cost

This formulation forces the business to distinguish attendance acquired through discounts from attendance that produces sustainable contribution. It also prevents marketing teams from being evaluated only on ticket sales while operating units absorb the consequences of promotions.

Dynamic pricing should be introduced selectively rather than as indiscriminate price maximisation. Contemporary revenue-management literature supports differentiated pricing based on demand conditions and customer characteristics, but also warns that perceived unfairness can weaken willingness to pay.

For PJAA, relevant instruments include advance-purchase discounts, peak/off-peak differentiation, family bundles, school and community packages, annual passes, membership tiers, bundled admission across attractions, hotel-attraction packages, event-based packages and targeted offers for historically low-demand periods. The objective is not necessarily to increase the published ticket price. It is to increase **net realised yield after**

discounts while filling otherwise underused capacity.

Annual passes and membership products deserve particular attention because they transform an episodic transaction into an ongoing customer relationship. Their economics should be evaluated through contribution and incremental ancillary spending rather than ticket revenue alone. A family making several repeat visits may produce substantially higher cumulative food, retail, parking and experience spending even if average ticket revenue per visit is lower.

Turnaround Pillar 2: Increase Ancillary Spend and Ecosystem Monetisation

PJAA's revenue data demonstrate that sources outside core ticketing can grow even when admission-related revenue weakens. Housing management, sponsorship and selected ancillary categories increased strongly in 2025 and/or H1 2026. This suggests that the company already possesses monetisable assets and relationships beyond admission tickets.

The strategic task is to create a total-spend-per-visitor architecture. At minimum, management should track ticket revenue per visitor, food and beverage revenue per visitor, merchandise revenue per visitor, paid-experience revenue per visitor, event and sponsorship revenue allocated per visitor, and total contribution per visitor. These measures convert ancillary monetisation from a collection of separate revenue lines into an integrated customer-value system.

The visitor journey should then be mapped to identify monetisation opportunities that genuinely enhance rather than interrupt experience. Examples include pre-ordered meals, attraction photographs, character or themed merchandise, premium queue or convenience products where operationally appropriate, birthday/event packages, seasonal experiences, sunset or night products, marina/coastal experiences, integrated hotel stays and cross-attraction bundles.

Sponsorship should likewise be treated as commercial inventory rather than miscellaneous income. The destination possesses physical space, digital touchpoints, events, attractions and customer segments that can be packaged into measurable partnership propositions. Sponsor economics should be managed through inventory value, visitor reach, activation performance and renewal rates.

Turnaround Pillar 3: Protect Experience While Improving Cost Productivity

Cost productivity should begin by separating four categories rather than applying a uniform reduction target. Experience-critical costs directly affect safety, attraction uptime, cleanliness or service; volume-variable costs should change with visitors or operating hours; structurally fixed costs require redesign rather than annual cutting; and economic leakage adds cost without improving customer or asset outcomes. This classification makes the cost programme operationally specific while protecting the capabilities that generate demand.

Theme-park research makes clear why this distinction matters. Visitor experience influences satisfaction, willingness to recommend, revisit intentions and potentially willingness to pay.

An attraction-maintenance programme should consequently be judged not simply by maintenance expense but by **attraction availability, downtime, safety events, throughput and maintenance cost per available operating hour**. Similarly, labour cost should be linked to visitors per paid labour hour,

revenue per labour hour, service-level outcomes and seasonal scheduling rather than reduced through an arbitrary percentage target.

The sharp utilities increase deserves a dedicated **Energy and Utilities Performance Office** or cross-functional workstream combining finance, engineering and operations. Each major attraction and facility should have submeters where feasible, allowing management to identify kilowatt-hours and water use per visitor, operating hour and occupied square metre. The diagnostic bridge should separate tariff, consumption, load factor, equipment efficiency, operating hours and losses. Energy-management technologies should be prioritised using payback and lifecycle economics.

This approach also connects the turnaround with green innovation. Hospitality literature shows that environmental performance and competitive performance need not be mutually exclusive; resource efficiency and green innovation can support loyalty, brand and financial outcomes.

Turnaround Pillar 4: Convert Financial Flexibility into Capital Productivity

The company's improved balance sheet changes the relevant capital-allocation question from "Can PJAA finance investment?" toward "Which investments deserve PJAA's scarce capital?" This shift makes capital productivity, project sequencing and benefits realisation central to the second-stage turnaround rather than secondary finance considerations.

Every major project should be classified into one of four capital categories. Mandatory or safety capital protects compliance, safety and asset integrity; maintenance capital preserves service capacity; productivity capital is justified by measurable cost reductions; and growth or experience capital is justified by incremental revenue, margin or strategic differentiation. This classification should determine the evidence required at each approval gate and the post-investment metrics used to assess performance.

Growth capital should not be approved primarily because an attraction is new or because land is available. The investment case should contain demand scenarios, cannibalisation assumptions, incremental operating costs, required maintenance, energy intensity, working-capital implications, payback, NPV, IRR and expected return on invested capital.

The large construction-in-progress balance makes a **stage-gate capital review** especially important. Projects should pass repeated gates at concept, design, contracting, implementation and post-opening stages. Capital should be released incrementally when value assumptions remain valid. If assumptions change, management should redesign, phase, partner, defer or repurpose the project.

This is not an argument for suspending expansion. Dynamic-capability theory would caution against excessive retrenchment that prevents a firm from seizing future opportunities. Instead, the objective is selective growth with explicit economic gates.

An additional post-investment discipline is essential: every large project should undergo a 12-, 24- and 36-month benefits-realisation review comparing original assumptions with actual attendance, yield, incremental revenue, operating cost, asset uptime and return on capital. Without post-investment accountability, capital budgeting becomes an approval process rather than a learning mechanism.

Turnaround Pillar 5: Build a Digital Commercial Engine

Digital transformation should integrate demand sensing, pricing, customer relationships and operations. Current research indicates that digital capability can enhance the performance effects of restructuring and revenue management when it is embedded in business processes rather than managed independently. Tourism-company evidence also suggests that digital transformation can strengthen resilience through organisational flexibility and sustainable operating capability, making digital investment relevant to both growth and risk absorption.

The strategic destination should be a single customer view that links customer identity, ticket purchases, visit frequency, attractions used, identifiable food and retail transactions, hotel stays, campaign responses, complaints or service recovery, membership status and lifetime contribution, subject to appropriate privacy controls. Such integration would allow PJAA to connect marketing decisions with actual customer behaviour and economic value rather than relying on isolated transaction records.

This enables meaningful segmentation. A family with children, an occasional tourist, a school group, a young adult event visitor and an annual-pass holder have different needs and price sensitivities. Treating them with one promotion wastes both margin and marketing expenditure.

Smart-tourism evidence also demonstrates that digital technologies are most valuable when they improve experience and loyalty rather than simply digitise existing transactions. In amusement-park settings, smart-experience design should explicitly address accessibility, informativeness, interactivity and personalisation. Consequently, digital investment should target friction reduction through easier planning, parking and arrival information, ticket access, queue visibility, attraction navigation, food ordering, schedule information, personalised recommendations and post-visit engagement.

Turnaround Pillar 6: Make Service Innovation Continuous

Attraction businesses are vulnerable to novelty decay. A major new attraction can produce a temporary attendance uplift, after which visitor motivation declines unless the broader experience continues evolving. The solution does not require major capital expenditure every year. Service innovation can include seasonal programmes, event concepts, entertainment changes, food innovation, thematic overlays, community experiences and digitally enhanced activities.

Service-innovation research suggests that innovation can improve firm performance through customer experience, service quality, open innovation and co-creation. The practical implication is that innovation should be assessed not only by novelty but also by its measurable contribution to service outcomes, repeat demand and operating economics.

PJAA should therefore use a portfolio model with three innovation speeds. Micro-innovation can involve weekly or monthly service and activation experiments requiring minimal capital; seasonal innovation can be organised around holidays, school periods, cultural calendars and major events; and structural innovation can focus on attractions, zones and infrastructure requiring significant capital. The three-speed model supports continuous novelty without making customer relevance dependent exclusively on large construction projects.

Turnaround Pillar 7: Reframe Sustainability as Operating Economics

Ancol's physical characteristics make sustainability particularly relevant. Its operating environment includes substantial land, water, buildings, attractions, food services and coastal assets. Sustainability therefore intersects directly with utility costs, asset resilience, waste handling, destination image and long-term capital needs.

Hospitality and tourism studies show that sustainability practices can affect customer loyalty, brand value, competitive advantage and financial performance. This evidence supports treating sustainability initiatives as potential value-creation and risk-management mechanisms rather than as stand-alone corporate-social-responsibility programmes.

PJAA's ESG dashboard should therefore contain operating measures rather than programme counts alone. Relevant indicators include electricity and water consumption per visitor, waste generated and diverted per visitor, the share of renewable or lower-carbon energy where economically viable, energy cost per attraction operating hour, water reuse, weather-related asset downtime, and the return on sustainability-related capital expenditure. This operating orientation is consistent with recent evidence linking green-innovation readiness and digital technology to sustainable business performance in tourism and hospitality settings.

A project that reduces utility expenditure permanently can contribute simultaneously to margin restoration, risk reduction and ESG performance. Its investment case should therefore capture lifecycle cost savings and resilience benefits alongside environmental indicators.

Turnaround Pillar 8: Strengthen Destination-Level Governance

Ancol is not simply a collection of rides. It is a destination ecosystem containing attractions, beach areas, property, accommodation, events, commercial tenants and multiple public/private stakeholder relationships. Destination-level revenue optimisation therefore requires coordination.

Destination-governance research highlights adaptive capacity and stakeholder coordination as critical to resilience. Jakarta destination-image evidence also demonstrates that city-level perceptions influence destination attractiveness.

Management should consequently evaluate customer journeys across organisational boundaries. Parking, access, tenant quality, cleanliness, events, beachfront experience, hotels, attractions and food services influence the same visitor's perception even when operated by different internal units or partners.

The commercial implication is equally important. Cross-business packages should be optimised at the destination level rather than each unit protecting its stand-alone revenue. A hotel discount that increases attraction spending, for example, may be economically attractive even if evaluated negatively by the hotel unit alone. This requires contribution accounting that can measure total ecosystem value.

A Three-Horizon Turnaround Programme

The analysis does not support a precise prediction that the turnaround will be completed on a particular date. Instead, it supports a sequence of management horizons.

Figure 4 translates the diagnosis into a three-horizon implementation roadmap. The sequence is designed to move from diagnostic control to operating restoration and then to selective strategic renewal.



Figure 4: Three-horizon Second-Turnaround Roadmap for PJAA

Figure 4 summarises how the three horizons build on one another. The first horizon stabilises recurring economics, the second restores commercial and operating productivity, and the third scales renewal only after the business has established a credible economic foundation.

Horizon I: Stabilise - 0 to 6 Months

The objective of Horizon I should be visibility and leakage control rather than wholesale restructuring. Management should establish a Turnaround Management Office that reports against a small number of enterprise value drivers and produces a monthly recurring-earnings bridge, attraction and channel contribution analysis, utilities bridge, workforce and SLA productivity analysis, promotion-profitability assessment, working-capital reconciliation and project-by-project capital review. This creates a common diagnostic language before management commits to larger structural changes.

No large expansion decision should be assessed without updated demand, cost and capital assumptions. Existing safety- and maintenance-critical expenditure should remain protected.

Horizon II: Restore - 6 to 18 Months

Once economic transparency is established, Horizon II should redesign commercial and operational mechanisms. Commercial initiatives should include demand-based pricing, membership products, bundled experiences, CRM segmentation, ancillary-spend programmes, event monetisation, sponsorship inventory and rental-yield management, while operations should focus on workforce scheduling, utilities productivity, supplier and SLA redesign, attraction uptime and predictive or preventive maintenance. The objective is restoration of recurring operating margin rather than one-off profit.

Horizon III: Renew and Scale - 18 to 36 Months

Longer-term growth in Horizon III should be based on demonstrated capabilities and economically validated investment. Priority areas include selective high-return attractions, deeper digital integration, asset partnership or monetisation structures where appropriate, green infrastructure with credible lifecycle returns, integrated development of tourism and property assets, and differentiated destination experiences capable of increasing both visitation and willingness to pay.

Business-model innovation becomes particularly relevant during this phase because growth should not simply recreate the pre-pandemic revenue composition. Contemporary research shows that durable renewal can require changes in value creation and capture rather than only operating-scale recovery.

Turnaround Management Office and KPI Architecture

A major risk in transformation programmes is creating dozens of initiatives without connecting them to measurable financial outcomes. PJAA should therefore construct a value-driver tree linking operational activity to recurring earnings and cash flow.

Table 3: Proposed Turnaround KPI Architecture

Dimension	Primary KPI	Diagnostic purpose
Demand	Visitors; repeat visitation	Distinguish acquisition from retention
Ticket yield	Net ticket revenue/visitor	Detect discount dilution
Customer value	Total revenue/visitor; contribution/visitor	Integrate tickets and ancillary spend
F&B/retail	F&B and merchandise spend/visitor	Measure ecosystem monetisation
Experience	Satisfaction/NPS; complaints	Protect demand quality
Attraction operations	Uptime; queue time; throughput	Connect maintenance with customer value
Labour	Visitors/labour hour; revenue/labour hour	Measure productivity rather than headcount
Utilities	Energy and water/visitor	Identify structural resource leakage
Earnings	Recurring operating margin	Separate core from non-recurring income
Cash	Operating cash/recurring earnings	Monitor cash conversion
Balance sheet	Net debt; liquidity buffer	Preserve financial flexibility
Capital	ROIC; NPV; payback; benefits realised	Govern investment
ESG	Waste diversion; resource intensity	Integrate sustainability and economics

The Turnaround Management Office should not replace normal management. Its purpose is to make cross-functional value creation visible, force rapid resolution of interdepartmental constraints, and create accountability for financial benefits.

Monthly performance reviews should begin with the value-driver tree rather than the statutory income statement. The statutory accounts remain essential for external reporting, but turnaround management requires forward-looking operational indicators capable of identifying deterioration before it appears in quarterly profit.

What Would Demonstrate a Successful Turnaround?

A sustainable turnaround should not be defined by one year of higher profit. It should satisfy several conditions simultaneously.

First, ticket and attraction economics should recover without excessive discount dependence. Second, total contribution per visitor should increase as ancillary activities are monetised more effectively. Third, direct-cost growth should be contained relative to revenue while safety and experience indicators remain stable or improve. Fourth, recurring operating margin should rise independently of compensation or asset-related windfalls. Fifth, operating cash flow should remain strong after normalisation for working-capital timing. Sixth, debt metrics should remain prudent. Seventh, new capital expenditure should achieve its approved economic case.

These conditions are consistent with the dynamic-capability literature because they reflect an organisation capable of repeatedly sensing, seizing and transforming rather than completing a single restructuring exercise. They also provide a practical test of whether the turnaround has become self-sustaining rather than dependent on temporary cost actions or non-recurring income [59-63].

The ultimate goal is therefore not a temporary improvement in net income. It is the creation of a business that can fund renewal from recurring cash earnings while maintaining financial flexibility and destination relevance.

Future research can test the proposed value-driver relationships using visitor-level transaction data, attraction-level contribution margins and longitudinal service-quality indicators. Comparative studies across integrated leisure destinations in Asia would also

help determine whether the sequence from balance-sheet repair to core-earnings renewal is generalisable beyond the PJAA setting.

This study has three main limitations. First, public financial statements do not disclose all operational drivers needed to distinguish price, volume, mix and efficiency effects at attraction level; second, the single-company design limits statistical generalisation; and third, H1 2026 is an interim period that may reflect seasonality and working-capital timing. These limitations do not invalidate the diagnostic patterns, but they constrain causal interpretation and reinforce the need for internal operational data in subsequent empirical testing.

Limitations and Future Research

Conclusion and Recommendations

The longitudinal evidence shows that PT Pembangunan Jaya Ancol Tbk has travelled through four distinct stages: strong pre-pandemic earnings capacity, severe pandemic disruption, rapid post-pandemic recovery, and a subsequent period of renewed margin pressure. The most important conclusion is that the company's present challenge differs fundamentally from the crisis experienced in 2020–2021.

PJAA has made substantial progress in repairing its balance sheet. Liquidity is considerably stronger, leverage has declined, finance costs are lower and operating cash generation has recovered. Those achievements are strategically valuable because they reduce financial fragility and provide room to invest.

However, the evidence does not indicate that the turnaround is complete. Revenue weakened in 2025, ticket revenue declined materially, gross margin compressed, and H1 2026 showed near-flat revenue alongside substantially higher direct costs and sharply weaker profit. Reported 2025 earnings were also materially supported by non-recurring toll-road compensation, demonstrating why recurring earnings must become the principal performance benchmark.

The remaining turnaround opportunity is therefore best described as a second-stage transformation from financial repair to operating-economic renewal. This distinction is important because it shifts management attention from survival indicators toward recurring earnings, contribution economics and capital productivity.

The first priority is to institutionalise visibility: a recurring-earnings bridge, visitor-yield analysis, contribution by attraction and channel, utility-driver accounting, workforce productivity, working-capital reconciliation and project-level capital economics. Without this visibility, management risks treating symptoms instead of causes.

The second priority is revenue quality. PJAA should manage the integrated equation of visitor volume, realised ticket yield, ancillary spend, visit frequency and customer lifetime value. Dynamic pricing, memberships, bundles, CRM-based segmentation and ecosystem packages provide mechanisms for improving yield without relying solely on general price increases.

The third priority is productive cost management. The objective should not be indiscriminate austerity. Energy, labour, service arrangements, maintenance and procurement should be managed against physical and customer-value drivers. Safety, attraction reliability and visitor experience must remain protected because they are revenue-generating capabilities.

The fourth priority is capital discipline. The improved balance sheet should be converted into selective high-return investment. Given the material construction-in-progress balance and expansion commitments, stage-gate approval, scenario analysis, explicit return hurdles and post-investment benefit reviews should be embedded in corporate governance.

The fifth priority is digital and service innovation. A single customer view, CRM, behavioural segmentation, forecasting and personalised offers can transform ticket transactions into durable relationships. Continuous micro- and seasonal innovation can also preserve novelty without requiring large capital projects each year.

Finally, sustainability should be treated as operating economics. Energy efficiency, water productivity, waste reduction and asset resilience can reduce structural cost while supporting environmental performance and destination value.

The proposed three-horizon sequence-**Stabilise, Restore, Renew and Scale**-provides a practical route for implementing these recommendations. The central strategic objective is clear: PJAA should use the financial flexibility created by its first turnaround to build a second turnaround based on recurring earnings, visitor value, productive assets and organisational adaptability. Success would be demonstrated not by a single period of higher reported profit, but by sustained improvement in recurring margins, visitor contribution, cash conversion, capital returns and strategic resilience.

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