Analysis Of Financial Ratios To Measure The Company's Financial Performance Before And During The Covid-19 Pandemic At PT. Universal Jasa Kemas (UJK)

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ABSTRACT

Beginning in 2020, a brand-new occurrence known as Coronavirus Disease 2019 (COVID-19) startled the entire world. Particularly in Indonesia, this phenomena is growing quickly and has a significant impact on many facets of daily life (Susilo, et al, 2020). Economic activity has been significantly impacted by this virus, particularly in Indonesia's industrial sector. The Covid-19 epidemic, according to Haryanto (2020), caused the value of the rupiah to decrease. The decline in the rupiah's value occurred up to IDR 16,600 per US dollar in comparison to the time before the pandemic, when it was IDR 14,000 per US dollar. The level of inflation in Indonesia in 2020 was the lowest it has been since 2014. One of the factors that must be examined for urgency in decision-making and business sustainability is the company's performance. Financial performance analysis, Fahmi (2017) asserts that doing an analysis is essential to persuading the organization to adhere to predetermined rules for the proper and accurate use of funds. Information was acquired at PT. Universal Packaging Services about the company's financial performance prior to and during the Covid-19 pandemic (UJK). The results of the computation of the liquidity ratio vary from year to year when computing the current ratio, quick ratio, and cash ratio. The return on equity (ROE) decreases every year, but there aren't many ups and downs in the profitability ratio computation based on the calculation of gross profit margin (GPM), net profit margin (NPM), and return on assets (ROA). The debt to asset ratio (DAR) and debt to equity ratio computations used to determine the solvency ratio fluctuate annually (DER).

Keywords: financial performance, solvency ratio, profitability ratio, liquidity ratio

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INTRODUCTION

In early 2020, the world was hit by a new phenomenon known as Coronavirus Disease (COVID-19). This virus has a considerable impact on economic activity, especially in the manufacturing industry in Indonesia. According to Haryanto (2020) the existence of the Covid-19 pandemic caused the rupiah to weaken, the decline in the value of the rupiah occurred up to IDR 16,600 per US dollar compared to the time before the pandemic, which was IDR 14,000 per US dollar. Inflation that occurred in Indonesia in 2020 became the lowest inflation since 2014. Conditions like this have a positive or negative impact on companies and business people in Indonesia. This influence can be seen in the performance of a company. Company performance also needs to be analysed as an urgency in decision making and company sustainability. Performance can be achieved if the previously set goals have been achieved.

According to Fahmi (2017), financial performance analysis is a study conducted to determine corporate effectiveness in applying previously agreed principles that are consistent with the wise and ethical use of money. Ratio analysis also requires a threshold that compares elements in the financial world. This analysis can be calculated using the numbers contained in the balance sheet and profit and loss in each particular entity. Several factors hinder the use of metrics to assess employee performance by analysing financial data using ratios. Where the financial ratio is a general description of the mathematical relationship of a number with other analytical tools that describe the financial situation in the main company when the ratio is compared with other ratios that meet the standards (Munawir, 2010). Sirajuddin (2014) states that financial performance consists of profitability, liquidity and solvency ratios.

Fitriyani's (2021) study examined healthy businesses on the IDX and determined whether there were differences in profitability before and after the pandemic. The study concluded that there was no significant difference in corporate financial performance. Rachmawati's (2021) research on the aviation industry uses liquidity and solvency ratio calculations to understand the nature of financial labour before and after the pandemic. From the research obtained, the financial performance of the two companies when viewed based on the liquidity ratio and solvency ratio has experienced ups and downs every year, but a significant decline occurred during the pandemic period and it can be concluded that the pandemic has affected the financial performance of the two companies. In the study, participants were interested in using financial indicators to monitor the financial performance of businesses before and during the Covid-19 crisis at PT Universal Packaging Services (UJK). The object of research is carried out in a company engaged in manufacturing, especially in the field of packaging or packaging that produces various kinds of products, especially the need for wave carton boxes. These three ratios were chosen because the researcher wanted to re-examine with the same method but on a different object. The main problem for the assignment study is how PT. Universal Jasa Kemas (UJK) financial activities were carried out before and during the Covid-19 pandemic. The goal is to determine the financial stability of PT Universal Packaging Services (UJK) before and after the Covid-19 pandemic.

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THEORETICAL STUDIES

The Impact of the Covid-19 Pandemic on the Indonesian Economy

According to Yamali and Ririn (2020), Covid-19 is a complicated problem for the Indonesian people, where it affects the Indonesian economy because there are many losses in it. The government has developed a policy to fight the Covid-19 pandemic by imposing PSBB as stipulated in Government Regulation Number 21 of 2020. The visible impact of the Covid-19 pandemic on the economy in Indonesia is the number of layoffs and the number of layoffs in companies that are on the verge of bankruptcy. There are a total of 114,340 companies that have made layoffs in Indonesia, with a total of 1,943,916 workers, of which 77% work in the formal sector and 23% in the informal sector (Ministry of Manpower, 2020). The Covid-19 pandemic, however, has a positive impact on Indonesia's economic growth because it creates new trade opportunities outside of China and provides opportunities for Indonesia to strengthen its own economy. The government can make good use of this so that the economy continues to run stably even though economic growth is experiencing problems globally (Hanoatubun, 2020).

Laporan Keuangan

According to Zaki (2004), financial statements are the sum of all transactions that occur in the currency era in question. According to Heri (2014), the purpose of financial statements is to ensure that financial transactions are transparent and in accordance with the principles underlying the agreements made, including assets, financial position, and income. Annual financial statements based on PSAK Standard No. 01 (2015) consist of several different categories, including:

1. Balance sheet (balance sheet).
2. Statement of profit or loss and other items of comprehensive income.
3. Statement of changes in equity.
4. Cash flow statement.
5. Notes to the financial statements, which include a summary of significant accounting policies and disclosures for the current and prior financial years.
6. Financial statements as at the beginning of the previous period when the entity effectively applies the principle of financial statement preparation or restates the financial statements.

Based on the Financial Accounting Standards (SAK) (2013), the types of financial statements are :

1. Balance sheet
2. Profit and loss statement
3. Statement of changes in equity
4. Cash flow statement
5. Notes to the financial statements

Goenawan et al (2012) state that there are 4 characteristics that become normative requirements so that government financial reports meet the desired quality standards, reliable, comparable, understandable. According to Ribo (2013), financial report users include various stakeholders, including current and potential investors, traders, governments and institutions, and members of the general public.

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Financial Statement Analysis

Munawir (2010) states that the main result of monetary analysis is the identification of connections and tendencies that can be used to determine the financial position and results of a particular business. Cashmere (2016) states that the following steps are taken when analysing financial statements:

1. Collect complete financial data for a reporting period.
2. Perform calculations using standardised formulas that can be used carefully to ensure the results obtained are accurate.
3. Perform calculations by entering the numbers in the financial statements.
4. Provide an interpretation of the results of the measurements and calculations that have been carried out.
5. Prepare a financial condition report.
6. Provide necessary recommendations according to the results of the analysis.

The goal is to determine the form of analysis methods and techniques that are suitable for allowing financial statements to produce as many results as possible, and this must be done carefully (Kasmir, 2016). There are 2 types of analysis methods, namely vertical analysis (static), meaning that the analysis is only carried out for one accounting period. While horizontal analysis (dynamic) is an analysis carried out through a system of comparing financial statements in the desired periods. Analysis can be done by comparing several periods of previous financial statements. The results of this analysis allow you to find out whether the company has grown over time.

Financial Performance

Financial performance is a way to find out how the institution's finances are running or not according to institutional rules. Financial performance is defined according to Fahmi (2012) as an analysis carried out to find out how and when a company applies and implements its financial regulations appropriately. In fact, the purpose of measuring financial performance is to determine the level of profitability, level of stability, level of liquidity and level of solvency. According to Pongoh (2013), the evaluation of company performance varies according to the volume of activities carried out, the process of analysing the financial performance of a company usually consists of 5 steps, namely examination of financial statements, calculation, comparison of the results obtained, interpretation and problem solving. Merutia (2017) shows that financial performance results are influenced by the following factors:

1. Liquidity can reflect the company's ability to respond quickly to financial obligations.
2. Profitability can show the ability to generate profits within a certain period of time.
3. Solvency indicates a company's ability to fulfil its financial obligations when settled with short-term or long-term financing.
4. Financial stability can indicate their ability to run their business stably given the ability to pay interest expenses and the ability to pay dividends without hindrance in an orderly manner.

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Financial Ratio

Defining financial ratios is the activity of comparing the numbers in the financial statements by dividing one number by another (Kasmir, 2016). Meutia (2017) shows that financial ratios have the following advantages and disadvantages:

1. Excellence
    a. Financial ratios are statistical figures that are easy to understand.
    b. More detailed information for information already disclosed in a complex financial arrangement.
    c. Provides information on the position in the company.
    d. Useful for decision making.
    e. Facilitates regular comparison of companies with each other.
    f. Facilitates the identification of company trends and can predict the future condition of the company.
2. Weaknesses
    a. Financial data is compiled from some accounting data, which is then interpreted differently.
    b. Reporting procedures that may result in different benefits depending on the reporting procedure.
    c. Compilers that corrupt data.
    d. Making expenditures between costs and others within a company and other companies.
    e. Use of accounting periods that may affect comparative ratios. Reporting procedures that may result in different profits, according to the reporting procedures.

The benefits that can be used in financial ratios according to Ramadhana (2016) are:

1. Financial ratios are useful as a tool to assess employee performance and the financial capability of the company.
2. corporate.
3. Helps management become a reference in making plans.
4. A tool for business evaluation through a financial perspective.
5. Help lenders assess potential risks associated with expected interest rates and principal repayments.
6. Evaluation of the organisation's stakeholders. Helps management to be a reference in making plans.

According to Cashmere (2016), ratio analysis can be seen from two angles, namely internal parties and external parties. Analysis of financial ratios is divided into:

1) Liquidity Ratio

This ratio illustrates how a business can meet its short-term demands in a timely manner. Liquidity ratios have advantages or objectives, namely estimating or comparing the amount available for corporate working capital, estimating or comparing how much cash is held to pay debts and as a future planning tool in relation to debt and cash ratios. Liquidity ratios are divided in several ways, namely:

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a. *Current ratio* (rasio lancar)

current assets÷current liabilities

b. *Quick Ratio* (rasio cepat)

(Current Assets-Availability)/Current Liabilities

c. *Cash Ratio* (kas rasio)

(Cash + Cash Equivalents)/Current Debt

2) Profitability Ratio

This ratio is a tool that companies can use to get a return (profit) on the total amount of money invested (capital). The purpose of this ratio is to compare the state of the company in this (current) year or the amount of profit with the general results of the previous year. This ratio is divided into several aspects, namely:

a. *Gross Profit Margin* (rasio laba kotor)
(net sales - COGS / net sales) x 100%
b. *Net Profit Margin* (rasio laba bersih setelah pajak)
(net profit / net sales) x 100%
c. *Return On Asset* (rasio laba bersih dengan aktiva)
(Net Profit : Total Assets) x 100%

d. *Return On equity*

(net profit after tax/shareholders' equity) x 100%

3) Solvency Ratio

This ratio estimates how much corporate assets are financed by debt. The purpose and use of this ratio is to describe the financial condition of the corporation, estimate the amount of corporate assets financed by debt, and evaluate how much influence corporate debt has on financial management. This ratio is divided into several aspects, as follows:

a. *Debt To Aset Ratio*

(Total Debt/Total Assets) x 100%

b. *Debt To Equity Ratio*

$$(\text{total debt} / \text{equity}) \times 100\%$$

c. *Times Interest Earned*

(Profit Before Tax and Interest / Interest Expense) x 100%

d. *Fixed Charge Coverage*

$$\mathbf{FCC} = \frac{\textbf{penghasilan sebelum pajak penghasilan + biaya bunga + kewajiban sewa}}{\textbf{biaya bunga + kewajiban sewa}}$$

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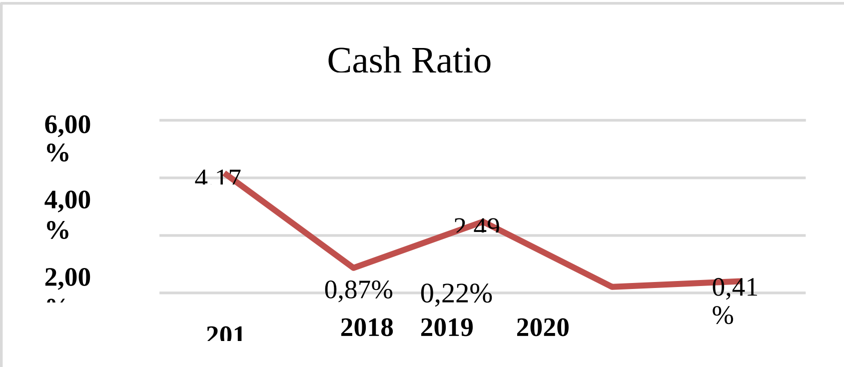
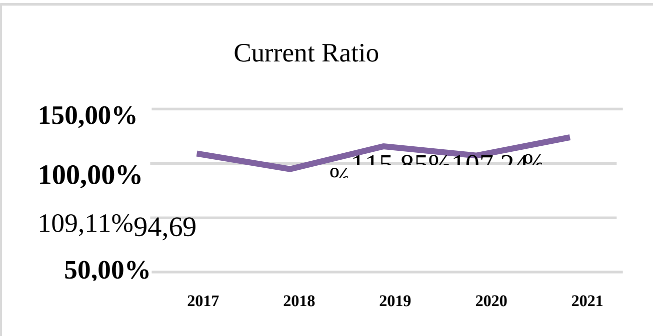
RESEARCH METHODS

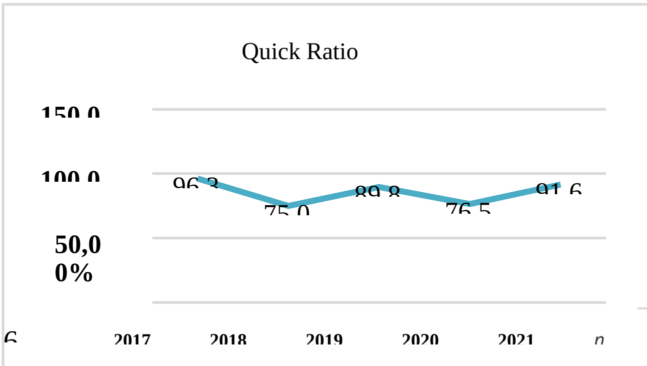
The research conducted uses a descriptive analysis method with a quantitative approach, where quantitative research is a scientific method where the data is in the form of numbers and can be processed and analysed with statistical tools (Rahmawati, 2021). The object of research was conducted at PT Universal Jasa Kemas (UJK) to obtain the necessary information from the corporate financial statements, the financial statements needed to conduct research, namely the balance sheet, profit and loss statement, information obtained from PT Universal Jasa Kemas (UJK). The time period used by researchers is 2017-2021 (before and during the Covid-19 pandemic). This research was conducted, aiming to use corporate financial statements to study economic development after a certain period in such a way that the necessary information is logical and accurate at PT. Universal Jasa Kemas (UJK) from 2017 to 2021 (before and during the Covid-19 pandemic). This research is located at PT Universal Jasa Kemas (UJK) located at Wonokoyo Village, Keci. Beji, Pasuruan, East Java.

RESULTS AND DISCUSSION

A. Liquidity Ratio







In the calculation of liquidity ratios, there are ups and downs every year in terms of calculations, quick ratio, current ratio and cash ratio. Where through the three ratio calculations that have been carried out, the results show that the three ratios are below the industry average standard. With this, it can be concluded that the Covid-19 pandemic has little effect in terms of calculating the liquidity ratio of the company because the company can find out how capable it is of

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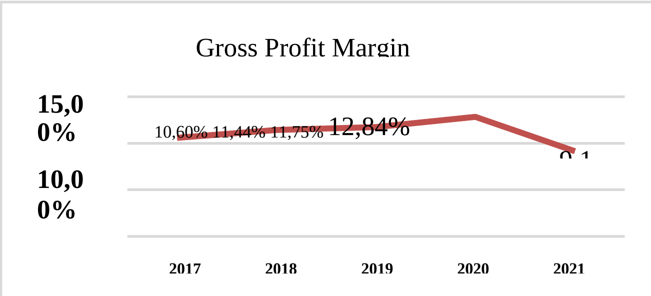
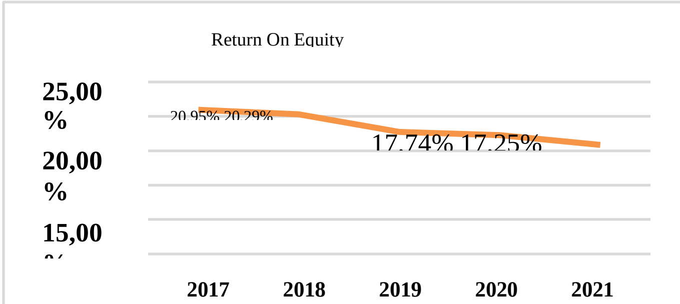
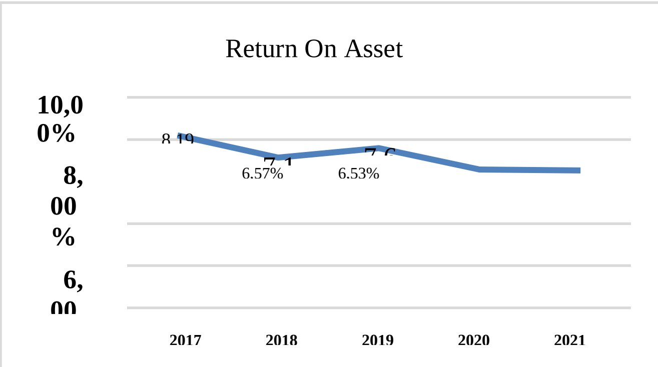
paying its short-term obligations.

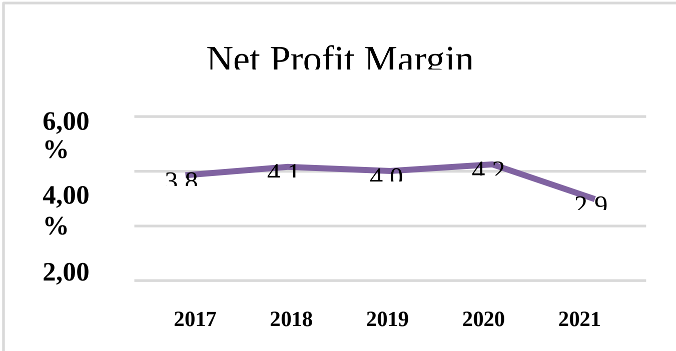
B. Profitability Ratio

In the calculation of the profitability ratio, there are ups and downs that are not too many each year.









based on the calculation of net profit margin (NPM), gross profit margin (GPM), return on assets (ROA) and there is a decrease every year in the calculation of return on equity (ROE). In the calculation of GPM, NPM and ROE, PT Universal Jasa Kemas is considered not good because the results of the calculations carried out are below the industry average standard. While in the calculation of ROA, the company is in good condition because it has a position above the industry average standard. Based on the results obtained, it can be concluded that the Covid-19 pandemic has slightly affected the company in terms of profitability ratios.

The profit gain of the company is felt to be less than optimal and less wise in terms of capital owned.

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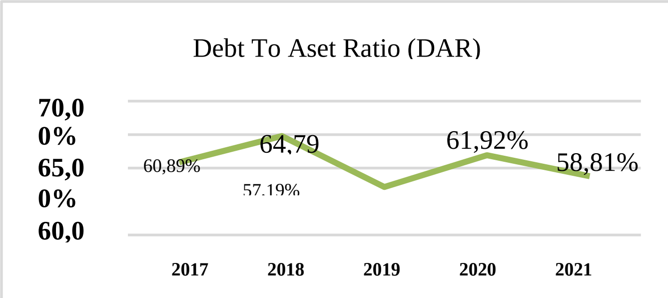
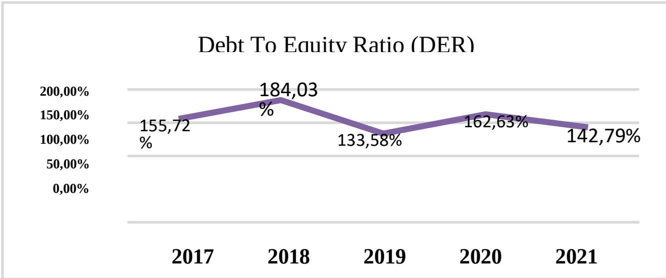
C. Solvency Ratio





In the calculation of the solvency ratio, there are also ups and downs every year from the calculation of the debt to equity ratio (DER) and debt to asset ratio (DAR). In the calculation of DAR, the company is considered to be in a bad condition because the calculations carried out have results that are still above the industry average standard. Meanwhile, in the calculation of DER, the company is considered to be in good condition by being above the industry average standard. Based on this, it can be concluded that the company's Covid-19 pandemic is not affected in terms of the company's obligation to pay all its obligations. Because based on the calculation of the solvency ratio, the company is good enough..

SIMPULAN

In the research conducted, several results were obtained. The results obtained are a comparison of the company's financial condition before the Covid-19 pandemic (2017-2019) and during the Covid-19 pandemic (2020 and 2021), namely:

1. In the calculation of the liquidity ratio, there are ups and downs every year in terms of the calculation of the quick ratio, current ratio, and cash ratio. In the calculation of the quick ratio, current ratio, and cash ratio of PT Universal Jasa kemas is experiencing a bad condition because it experiences a lack of capital for its short-term obligations. With this, it can be concluded that the Covid-19 pandemic has little effect in terms of calculating the liquidity ratio of the company because the company can find out how capable it is of paying its short-term obligations.
2. In the calculation of profitability ratios, there are not too many ups and downs each year based on the calculation of GPM, NPM and ROA and there is a decrease each year in the calculation of ROE. In the calculation of GPM and NPM, PT Universal Jasa Kemas is considered poor in terms of gross income

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and net income. In the calculation of ROA, the company is considered capable of using assets in making a profit. Meanwhile, in the calculation of ROE, the company is considered poor in terms of capital efficiency. Based on this, it can be concluded that the Covid-19 pandemic has slightly affected the company in terms of profitability ratios. The company's profit is considered less than optimal and less wise in terms of capital owned.

3. In the calculation of the solvency ratio, there are also ups and downs every year from the calculation of DAR and DER. In the calculation of DAR the company is considered to be in a bad position. While in the calculation of DER the company is also in good condition. Based on this, it can be concluded that the Covid-19 pandemic has no effect on corporate in terms of the company's obligation to pay all its obligations. Because based on the calculation of the solvency ratio the company is quite good.

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