

# **Analysis of the Financial Performance of Manufacturing Companies in the Cigarette Sub-Sector of the Consumer Goods Industry**

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## **ABSTRACT**

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The purpose of conducting research is to analyze the financial performance of cigarette companies listed on the Indonesia Stock Exchange (IDX) in 2015-2019 through analysis of liquidity, solvency, activity, and profitability ratios. The research data is secondary data obtained indirectly from third parties or through documents. The data source for this research was obtained from the internet via the official website of the Indonesia Stock Exchange (IDX), [www.idx.co.id](http://www.idx.co.id), in the form of annual reports of companies in the cigarette sector in the consumer goods industry for 2016-2019. The results showed that the company Gudang Garam Tbk had excellent performance; this was evidenced by the liquidity, solvency ratio, activity ratio, and the company's profitability ratio, which continued to fluctuate and tended to increase. The company H. M Sampoerna Tbk has performed exceptionally well, evidenced by the ratio of liquidity and solvency, and is terrible when judged by the ratio of activity and profitability. The company Bentoel International Investama has a poor performance, evidenced by its profitability ratio, which experiences losses yearly, but the ratio of liquidity, solvency, and activity fluctuates. PT. Wismilak Inti Makmur has performed exceptionally well, judging from its liquidity, solvency, and profitability ratios. However, in terms of its activity ratio, it has performed quite poorly because its value continues to decline.

## **Keywords:**

Liquidity Ratio; Solvency Ratio; Activity Ratio; Profitability Ratio

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## 1. Introduction

The business has progressed because of advances in information technology. One currently resides in an era of free commerce, in which commercial competitiveness intensifies. This necessitates continuous strategy development and business performance enhancement (Ambarwati et al., 2015). So that the company can survive and expand. As a prospective investor, it is vital to evaluate the company's performance depending on the source of its finances to make profits. The first consideration in evaluating a company's performance is its profitability (Sudiani & Darmayanti, 2016). The appropriate rate of return is influenced by an investor's observation of the company's progress, particularly its financial performance. Its financial performance can influence investors' impressions of a firm's investment, and a company's success can influence its stock price. The stock price is a measure of the company's performance index, or the extent to which the company's management has been able to manage the company for the benefit of its shareholders, such that market power on the Stock Exchange indicates a sale and purchase transaction for the company's shares in the capital market (Meidiyustiani, 2016).

Companies must submit financial reports containing financial information that can aid investors in understanding the company's financial health (Safitri, 2018). However, financial reports cannot evaluate performance; therefore, financial statements must be analyzed appropriately (Saemargani & Mustikawati, 2015). The company's financial information is obtained using an interpretation comprising the relationship between elements, such as assets, liabilities, and the balance sheet with elements of loss or profit (Wariantio & Rusiti, 2014). The purpose of financial statements is to offer information about a company's performance, notably its profitability, and to evaluate potential changes in economic resources. In addition, performance assessment is one of the crucial criteria for firms that may be utilized as a foundation for constructing a reward system within the organization to impact behavior in decision-making (Gaganis et al., 2019). A financial performance analysis is undertaken to assess the performance of the past. Given the numerous investment decisions taken at this time, it seeks to forecast the company's future success. Thus, the company's financial situation is obtained, showing its continuous realization and potential performance (Saemargani & Mustikawati, 2015).

In this study, the selected company is the cigarette industry, where the cigarette business in Indonesia has been improving, as seen by the rising market share and high retail sales. Consequently, this demonstrates a significant market opportunity open for investment. This study aimed to determine and assess the financial performance of the cigarette manufacturing subsector businesses listed on the Indonesia Stock Exchange between 2016 and 2019 in terms of liquidity, solvency, activity, and profitability.

## 2. Literature Review

According to Ma'arif (2019), the liquidity ratio is a ratio used to measure the company's ability to meet short-term obligations. The purpose of the liquidity ratio is to test the adequacy of funds, the company's solvency, the company's ability to pay obligations that must be fulfilled immediately. Liquidity ratios as stated, can be seen in the description 1) Current ratio. This ratio is a comparison between current assets and current liabilities. This ratio is a way to measure the ability of a company to fulfill its obligations, with the guidelines of 2:1 or 200% this is the minimum ratio that will be maintained by a company (Tiaras & Wijaya, 2015). 2) Fast ratio. This ratio is a comparison between current assets minus inventories with current liabilities. This ratio is a measure of the company's ability to fulfill its obligations by not considering inventory, because inventory takes a relatively long time to be realized into cash, even though the inventory may be more liquid than receivables (Sari et al., 2015).

The term leverage is usually used to describe a company's ability to use assets or funds that have & Nurmala, 2020). This ratio measures the comparison of funds provided by the owner with funds borrowed by the company from creditors. This ratio shows the company's ability to meet its short- and long-term financial obligations. (Dewi et al., 2016). Several types of leverage ratios (solvability ratios); however, the author uses 3 (three) ratios in conducting company research (Alfiani & Nurmala, 2020), namely the Debt to-asset ratio. This ratio is the debt ratio used to measure the comparison between total debt and total assets (Warianto & Rusiti, 2014). From the measurement results, if the ratio is high, it means that funding with more debt, it will be more difficult for companies to obtain additional loans because it is feared that the company will not be able to cover its debts with its assets (Sari et al., 2015). The debt-to-equity ratio is the ratio used to assess debt-to-equity. The ratio compares all debt, including current debt, with all equity. This ratio helps know the number of companies (Mahulae, 2020). Long-term debt to equity ratio. LTDtER is the ratio between long-term debt and own capital. The aim is to measure how much of each rupiah's capital is used as collateral for long-term debt by comparing long-term debt and equity provided by the company (Ambarwati et al., 2015).

According to Manoppo & Arie (2016), the activity ratio measures a company's effectiveness in utilizing its resources or assets. The activity ratio shows how far management can collect sufficient sales of the company's assets used (Hirdinis, 2019). Using the average inventory between the beginning and end of the period in the analysis of inventory activity would be better. Some activity ratios are 1) Inventory turnover. This ratio compares the cost of goods sold and the average inventory. This ratio shows how quickly inventory turns over in a normal inventory cycle. 2) Total asset turnover. This ratio is a comparison between sales and total assets. This ratio

measures the company's ability to generate sales based on the assets owned by the company (Adismartha & Noviani, 2015).

Profitability ratios show an overview of the activity level of company management in generating profits. This ratio measures whether the owner or shareholder can obtain an appropriate rate of return on his investment (Rafsanjani, 2016). The profitability ratios, as stated, are 1) Profit margin. This ratio compares net profit and sales (Meidiyustiani, 2016). 2) Return on Assets. This ratio is a comparison between net income and total assets. This ratio shows how much net profit the company earns when measured by the value of its assets. 3) Return on Equity. This ratio measures the percentage of net profit obtained from the owner's capital (Sudiani & Darmayanti, 2016).

### 3. Method, Data, and Analysis

This type of quantitative research is data that researchers collect as absolute figures from financial statements. The population of this research is all cigarette sub-sector manufacturing companies listed on the Indonesia Stock Exchange. This study uses a sample of financial statements in the form of balance sheets and profit and loss for each industrial sector issuer listed on the IDX in 2015-2019. The research data is secondary data obtained indirectly from third parties or through documents. The data source for this research was obtained from the internet via the official website of the Indonesia Stock Exchange (IDX), [www.idx.co.id](http://www.idx.co.id), in the form of annual reports of cigarette sector companies for 2015-2018. This study uses descriptive analysis techniques using financial ratio analysis. The descriptive analysis technique used to analyze the data is the first way to calculate the liquidity ratio. Second, calculate the solvency ratio. Third, calculate the activity ratio. Fourth, calculate the profitability ratio.

**Table 1. Operational Variables**

Variable	Indicator	Reference
Liquidity Ratio	Current Ratio = Current Assets: Current Liabilities	(Rahmawati, 2017)(Kurnia et al., 2015; Yendrawati & Mukti, 2015)
Solvency Ratio	Total Amount of Debt: Total Assets x 100%	(Saemargani & Mustikawati, 2015)
Activity Ratio	Sale: Total Aktiva x 100%	(Lutfi & Sunardi, 2019)
Profitability Ratio	Net Profit After Tax (EAT): Net Sales x 100%.	(Sumanti & Mangantar, 2015)

#### 4. Result and Discussion

##### *Financial Performance Analysis PT Gudang Garam Tbk*

**Table 2. Percentage of Financial Ratios of PT Gudang Garam Tbk**

Ratio	Year				
	2015	2016	2017	2018	2019
Current Ratio	162.02	177.04	193.79	193.55	199.52
Debt to Assets Ratio	0.43	0.40	0.37	0.37	0.36
Total Assets Turn Over	111.963	110.802	121.163	124.784	104.701
Net Profit Margin	8.28	9.17	8.75	9.31	8.25

**Source:** Data Processed, 2022

##### *Liquidity Ratio (Current Ratio)*

In table 2, the liquidity ratio is obtained, measured by the current ratio of Gudang Garam Tbk company in 2015 of 162.02%. This ratio continues to increase until 2017 at 193.79%. In 2018 the current ratio decreased again by 0.24 from the previous year to 193.55%. Then in 2019, it again increased by 5.97% from the previous year to 199.52%. This is because current assets in 2017 decreased by 0.635% to IDR 41.933 billion from IDR 42.568 billion, following a 1.13% decrease in cash and cash equivalents to IDR 1.595 billion in 2017 to IDR 2.725 billion in 2016. In addition, current liabilities decreased by 2.407% to IDR 21.638 billion in 2017 compared to IDR 24.045 billion in 2016. In 2019 the company's liquidity ratio increased again by 5.97% from the previous year to 199.52%, while its current assets companies in 2019 decreased by 3.61% from IDR 43.764 billion to IDR 43.403 million in 2018. This was due to an increase in cash and cash equivalents of 0.33% from the previous year, or IDR 2.662 billion in 2019.

##### *Solvency Ratio (Debt to Assets Ratio)*

In table 2, the solvency ratio measured by the debt-to-asset ratio is 2015 was 0.43 and decreased yearly until 2019. This is because the company's total debt and total assets fluctuated. From 2015 to 2016, the total debt owed increased by 0.02% or IDR 25.497 billion from the previous year, while total assets owned increased by 0.09% or IDR 63.505 billion from the previous year IDR 58.220 billion. In 2017 it decreased by 0.08% or IDR 23.387 billion from the previous year, and total assets also decreased by 0.008% or IDR 62.951 billion from the previous year IDR 63.505 billion and increased again in 2018 by 0.05% or IDR 24.572 billion and total assets owned also increased by 0.06% or IDR 66.759 billion from the previous year IDR 62.951 billion, and in 2019 again decreased by 0.03% from the previous year to IDR 23.823 billion and total assets also decreased by 0.0001% or IDR 66.751 billion from the previous year IDR 66.759 billion.

##### *Activity Ratio (Total Assets Turn Over)*

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In table 2, the activity ratio is obtained as measured by total assets turnover in 2015; the total assets turnover value was 111.963, and during the research period, this value fluctuated, 2016 the total assets turnover decreased by 110.802, and in 2017 it increased by 0.09% from the previous year to 121,163. In 2018 it again increased by 0.02% from the previous year to 124,784, and in 2019 it again experienced a significant decrease of 0.16% from a year previously to 104,701. This is because the total revenue earned by the Gudang Garam Tbk company for four years of observation from 2015 to 2018 has increased and in 2019, the total income earned decreased by 0.16% from the previous year to IDR 69,889 billion. While the total assets owned by the company fluctuated during the five years of observation, in 2015, the total assets acquired amounted to IDR 58.220 billion, then increased in 2016 by 0.09% to IDR 63.505 billion. In 2017 it decreased by 0.008% to IDR 62.951 billion, and from 2018 to 2019, it again decreased by 0.0001% to IDR 66.751 billion from the previous year of IDR 66.759 billion.

#### *Profitability Ratio (Net Profit Margin)*

In table 2, the profitability ratio as measured by the net profit margin in 2015 was 8.28%, and during the study period, it fluctuated; this was because the profit earned and the total income earned increased during four years in a row, and in 2019 the profit earned, and income returned decreased, in 2016 the profit earned increased by 0.19% from the previous year IDR 5.395 billion to IDR 6.452 billion and total sales for four consecutive years experienced enhancement. In 2017 and 2018, the profit earned also increased by 0.16%. In 2019 the profit earned by the company decreased by 0.25% from the previous year, whereas the profit earned in 2018 amounted to IDR 7.755 billion. In 2019 the value profit of IDR 5.762 billion, and total sales also decreased by 0.16%, where total sales obtained in 2018 amounted to IDR 83.305 billion and in 2019 decreased to IDR 69.889 billion.

#### *Financial Performance Analysis PT. H.M Sampoerna Tbk*

**Table 3. Percentage of Financial Ratios PT. H.M Sampoerna Tbk**

Ratio	Year				
	2015	2016	2017	2018	2019
Current Ratio	152.77	656.74	523.41	527.23	266.60
Debt To Assets Ratio	0.52	0.16	0.20	0.21	0.36
Total Assets Turn Over	284.314	234.326	224.583	229.691	157.866
Net Profit Margin	12.62	11.64	13.37	12.79	12.50

**Source:** Data Processed, 2022

#### *Liquidity Ratio (Current Ratio)*

In table 3, the liquidity ratio, as measured by the current ratio, fluctuates yearly. In 2015 the current ratio was 152.77% and experienced a substantial increase in 2016 by 503.97% to 656.74%. This was because the company's current assets also increased by 0.43% from the previous year, while the total current liabilities obtained decreased by 0.66% from the previous year. In 2017 the value of the current ratio decreased by 133.33% from the previous year to 523.41%. It decreased because the company's current liabilities increased by 0.41% from IDR 4.538 billion to IDR 6.428 billion, so the company's current assets increased by 0.12% from IDR 29.807 billion to IDR 33.647 billion. In 2018 it increased by 3.82% from the previous year to 527.23% and again decreased in 2019 by 260.63% from the previous year to 266.60%. This is because the level of current debt obtained experienced a significant increase of 1.35% from IDR 6.482 billion to IDR 15.236 billion.

#### Solvency Ratio (Debt to Assets Ratio)

In table 3, the solvency ratio, as measured by the debt-to-assets ratio, fluctuates. In 2015 the debt-to-assets ratio was 0.52%, and in 2016, the DAR value was 0.16%; until 2019, the DAR value increased to 0.36%. This is because the value of the total debt owned by the company from 2016 to 2019 also increased by 0.39% to 096% in 2019, where the total debt obtained in 2016 was IDR 5,994 billion to 2019, amounting to IDR 17,706 billion. Each year, the total assets owned by the company have also increased; in 2016, the total assets owned increased by 0.33% from the previous year from Rp. 0.01% from the previous year, from IDR 42.508 billion to IDR 43.141 billion, and increased again in 2019 by 0.13% to IDR 49.114 billion, following an increase of 25.40% in cash and cash equivalents to IDR 65.086 million in 2015 compared to IDR 1.718 billion in 2016. In 2018 it increased by 0.48% from the previous year from IDR 5.056 billion to IDR 7.501 billion, and in 2019 it increased by 1.84% from the previous year in cash and cash equivalents to IDR 21.370 billion.

#### Activity Ratio (Total Assets Turn Over)

In table 3, the activity ratio, as measured by total assets turnover, fluctuates. In 2015 the value of total assets turnover owned for three consecutive years decreased, then in 2018, it increased and again decreased in 2019. This is because the income level increased during the study period increasing total assets, and in 2019, total income decreased. In 2015 the total assets turnover was 284.314%, and in 2016 and 2017, it decreased by 49.988% and 9.743%, and in 2018, the total assets turnover increased by 5.108%, then decreased again in 2019 by 71.825%. This is because the level of sales has also increased for four consecutive years in 2016, which increased by 0.10% from the previous year to IDR 89.069 billion compared to 2015 IDR 80.690

billion. In 2018 it increased by 0.03% from the previous year to Rp. 99.091 billion compared to 2017 of Rp. 95.466 billion, then decreased in 2019 by 0.21% to Rp. 77.534 billion, following the total assets obtained during the research period, increased from 2015 to 2019.

#### Profitability Ratio (Net Profit Margin)

In table 3, the profitability ratio, as measured by the net profit margin, fluctuated in 2015; the value of the company's net profit margin was 12.62%, then decreased in 2016 by 0.98% from the previous year to 11.64 %. In 2017 it again increased by 1.73% from the previous year to 13.37%; in 2018 and 2019, it decreased by 0.58% and 0.29% from the previous year to 12.50%. This is because the company's net profit for three consecutive years has increased by 0.017% and 0.23% after tax. In 2018 and 2019, it decreased by 0.007% and 0.23%, respectively, following the income earned before tax also increased for three consecutive years in 2016, increasing by 0.015% or IDR 13.932 billion compared to 2015 of IDR 13.718 billion. In 2017 it increased by 0.22% or IDR 17.011 billion compared to 2016 of IDR 13.932 billion, and in 2018 and 2019, it also decreased by 0.006% and 0.24%, respectively. While the total sales obtained for four years increased and, at the end of 2019, decreased by 0.21% from the previous year.

#### Financial performance analysis PT. Bentoel Internasional Investama Tbk

**Table 4. Percentage of Financial Ratios PT. Bentoel Internasional Investama Tbk**

Ratio	Year				
	2015	2016	2017	2018	2019
Current Ratio	100.17	220.34	240.19	192.09	180.56
Debt To Assets Ratio	1.14	1.25	0.30	0.37	0.39
Total Assets Turn Over	137.46	132.73	142.74	143.84	114.69
Net Profit Margin	-16.17	-9.74	-10.85	-2.37	-2.66

Source: Data Processed, 2022

#### Liquidity Ratio (Current Ratio)

In table 4, the liquidity ratio, as measured by the current ratio, fluctuates every year. In 2015 the current ratio value of the company Bentoel International Investama Tbk was 100.17%; this ratio continued to fluctuate until 2017 to 240.19%, then in the following year, it decreased until 2019 to 180.56%. In 2016 the value of the current ratio obtained by the company increased by 120.17% from the previous year to 220.34%. Current assets this year also increased by 0.26% or IDR 7.594 billion compared to 2015 of IDR 6.023 billion. Following the fixed assets owned, it also increased from the previous year of 0.16% or IDR 4.332 billion compared to 2015 of IDR 3.726 billion, and the value of cash and cash equivalents increased in 2016 compared to the previous year of 6.37% or IDR 195.289 million compared to the previous year of IDR 26.466.

Meanwhile, the current debt owned by the company decreased by 0.42% or IDR 3.446 billion compared to the previous year of IDR 6.012 billion. In 2017 the value of the current ratio again increased by 19.85% from the previous year to 240.19%. This is because the total assets this year also increased from the previous year by 0.14% from IDR 7.594 billion to IDR 8.708. The company's fixed assets increased from IDR 4.332 billion to IDR 4.435 billion, including cash and cash equivalents. Increased by 0.62% from IDR 195.289 million to IDR 316.618 million, and debt levels increased from the previous year to 0.05% from IDR 3.446 billion to IDR 3.625 billion. In 2018 the value of the current ratio decreased by 48.1% from the previous year to 192.09%. The cash and cash equivalents also decreased by 0.49% from the previous year, or IDR 161,353 million, compared to 2017, of IDR 316,618 million. While the total assets owned increased by 0.03% or IDR 9.005 billion compared to 2017 of IDR 8.708 billion, and there was an increase in fixed assets of 0.12% from the previous year, from IDR 4.435 billion to IDR 4.987 billion, in current liabilities also increased by 0.29% or IDR 4.687 billion compared to 2017 of IDR 3.625 billion. In 2019 the current ratio value again decreased by 11.53% from the previous year to 180.56%. This is because the value of current assets in 2019 has decreased from the previous year by 0.015% or IDR 8.867 billion compared to 2018 of IDR 9.005 billion, following the fixed assets owned by the company this year also decreased by 0.005% or IDR 4.961 billion compared to the previous year amounted to IDR 4.987 billion. While the value of cash and cash equivalents increased from the previous year by 1.67% or Rp. 431.659 million compared to 2018 of Rp. 161.353 million, including the total current debt owned, increased from the previous year by 0.04% or by IDR 4.911 billion compared to 2018 of IDR 4.687 billion.

#### *Solvency Ratio (Debt to Aseets Ratio)*

In table 4, the solvency ratio, as measured by the debt-to-assets ratio, fluctuates yearly. In 2015 the value of the debt to assets ratio in the company Bentoel International Investama Tbk was 1.14%; this ratio increased in 2016 by 0.11% from the previous year to 1.25%, then in the following year, it decreased by 0.95%. to 0.30%, then experienced an increase until 2019 of 0.39%. In 2016 the value of the debt-to-assets ratio obtained by the company increased by 0.11% from the previous year to 1.25%. Total assets this year also increased by 0.23% or IDR 12.667 billion compared to 2015 of IDR 10.250 billion. Following current and fixed assets also increased from the previous year, and the value of cash and cash equivalents increased in 2016 compared to the previous year by 6.37% or Rp. 195.289 million compared to the previous year of Rp. 26.466, the total debt owned by the company also increased by 0.35% or IDR 15.816 billion compared to 2015 of IDR 11.647 billion, while current liabilities decreased from the previous year by 0.42%. In 2017 the value of the company's debt-to-assets ratio was 0.30%, experiencing a decrease from the

previous year. This is because the total debt this year also decreased by 0.74% compared to the previous year, which increased, this year the company's long-term debt also decreased by 31.65%, while total assets increased by 0.06% or IDR 13.470 billion compared to the previous year of IDR 12.667 billion. In 2018 the value of the debt-to-assets ratio obtained by the company again increased by 0.07% from the previous year to 0.37%. This year, total debt repurchased increased by 0.28% or IDR 5.159 billion compared to the previous year of IDR 4.029 billion because total current liabilities and total long-term debt also increased, as well as total assets increased by 0.04% or IDR 14.083 billion compared to the previous year of IDR 13.470 billion. In 2019 the value of the debt-to-assets ratio again increased by 0.02% from the previous year to 0.39%. This is because total debt increased by 0.05% or Rp. 5.440 billion compared to the previous year of Rp. 5.159 billion; likewise, the total current liabilities and total long-term debt also increased, while the total assets owned decreased by 7.08%. Alternatively, IDR 13.912 billion compared to 2017 IDR 14.083 billion. The total current assets owned also decreased by 0.015% or IDR 8.867 billion compared to the previous year's IDR 9.005 billion.

#### Activity Ratio (Total Assets Turn Over)

In table 4, the total value of assets turnover at the company Bentoel International Investama Tbk has fluctuated. In 2015 the value obtained was 137.46%; in 2016, it decreased by 4.73% from the previous year to 132.43%. In 2017 it again increased by 10.01% to 142.74%; in 2018 by 1.1% from the previous year to 143.84%, and again decreased in 2019 to 114.69%. In 2016 the total assets turnover was 132.43%, which decreased from the previous year by 4.73%. The total assets turnover value is obtained by comparing the total sales with the company's total assets. In 2016, the total sales amounted to IDR 16.814 billion, an increase from the previous year by 0.19%. The total assets acquired also increased in 2016 by 0.23% or IDR 12.667 billion compared to 2015, amounting to IDR 10.250 billion. In 2017 the value of total assets turnover increased by 10.01% from the previous year to 142.74%. This is because the total sales obtained that year also experienced a significant increase of 0.14% or IDR 19.228 billion compared to the previous year of IDR 16.814 billion. In that year, the total assets owned by the company also increased by 0.06% or IDR 13.470 billion compared to 2016 of IDR 12.667 billion. This year the value of cash and cash equivalents at the company also increased by 0.62% or IDR 316.618 million compared to the previous year of IDR 195.289 million. Also following the company's current assets also experienced a significant increase of 0.14% from the previous year, or IDR 8.708 billion, compared to 2016 of IDR 7.594 billion. In 2018 the value of total assets turnover increased by 1.1% from the previous year to 143.84%. This is because the total sales obtained in that year also experienced a significant increase of 0.05% or IDR 20.258 billion compared to the previous

year of IDR 19.228 billion. In that year, the total assets owned by the company also experienced a significant increase of 0.04% or IDR 14.083 billion compared to 2017 of IDR 13.470 billion. This year, the company's cash and cash equivalents decreased by 0.49% from the previous year, or IDR 161.353 million, compared to the previous year of IDR 316.618 million. On the other hand, the company's current assets experienced a significant increase of 0.03% from the previous year, or IDR 9.005 billion, compared to 2016, of IDR 8.708 billion. In 2019 the value of total assets turnover decreased quite rapidly by 29.15% from the previous year to 114.69%. This is because the total sales obtained that year also decreased by 0.21% or IDR 15.957 billion compared to the previous year of IDR 20.258 billion. In that year, the total assets owned by the company also decreased by 0.012% or IDR 13.912 billion compared to 2018 of IDR 14.083 billion. This year, the company's cash and cash equivalents increased by 1.67% from the previous year, or IDR 431.659 million, compared to the previous year of IDR 161.353 million. In contrast, the company's current assets decreased by 0.015% from the previous year, or IDR 8.867 billion, compared to 2016, of IDR 9.005 billion.

#### Profitability Ratio (Net Profit Margin)

In table 4, the profitability ratio measured by the net profit margin suffers a loss yearly. In 2015 the value of the net profit margin at Bentoel International Investama Tbk was -16.17%; this ratio continued to fluctuate and suffered losses until 2019 of -2.66%. In 2016 the net profit margin decreased by 6.43% from the previous year to 9.74%. This is because the profit obtained after tax also decreased, and a loss of 0.28% from the previous year or IDR -1.638 billion compared to 2015 of IDR -2.278 billion, following the income and profit before tax experienced losses from year to year. In 2017 the net profit margin increased by 1.11% from the previous year to -10.85%. This is because the profit after tax also increased and experienced a loss of 0.27% from the previous year. In 2018 the net profit margin value decreased by 8.48% from the previous year to -2.37%, and in 2019 it actually increased but still suffered a loss of -2.66%. This is because profit after tax and sales obtained from 2018 to 2019 also decreased and experienced losses.

#### *Analysis of the financial performance of PT. Wismilak Inti Makmur Tbk*

**Table 5. Percentage of Financial Ratios PT. Wismilak Inti Makmur Tbk**

Ratio	Year				
	2015	2016	2017	2018	2019
Current Ratio	227.49	289.38	339.42	535.59	482.96
Debt To Assets Ratio	0.36	0.30	0.27	0.20	0.22
Total Assets Turn Over	124.65	136.99	124.53	120.45	82.01
Net Profit Margin	6.76	7.13	6.31	2.75	3.00

Source: Data Processed, 2022

*Liquidity Ratio (Current Ratio)*

In table 5, the liquidity ratio as measured by the current ratio) in 2015 the value of the current ratio was 227.49% which continued to increase until 2018 by 535.59%, then decreased in 2019 by 52.63% to 482.96%. In 2016 the current ratio value increased from 61.89% to 289.38% in the previous year. This is because current assets decreased by 0.01% from the previous year or IDR 988.814 million compared to 2015, amounting to IDR 999.717 million, while cash and cash equivalents increased by 0.22% from the previous year, and in total assets. Owned by the company also increased by 0.73% from the previous year. Also, the following current liabilities decreased by 0.22% from the previous year, or IDR 341.706 million, compared to 2016 of IDR 439.446 million. In 2017 the current ratio value increased from 50.04% to 339.42% in the previous year. This is because current assets also increased by 0.08% from the previous year, or IDR 996.925 million, compared to 2016 of IDR 988.814 million, while cash and cash equivalents decreased by 0.33% from the previous year, and the company's total assets also increased by 0.81% from the previous year. Also, following current liabilities, it decreased by 0.14% from the previous year or Rp. 293.712 million compared to 2016 of Rp. 341.706 million, and also experienced a decrease in total assets of 9.14% from the previous year. In 2018 the current ratio value obtained increased from the previous year of 196.17% to 535.59%. This is because current assets decreased by 0.13% from the previous year, or IDR 861.172 million, compared to 2017 of IDR 996.925 million, and cash and cash equivalents decreased by 9.88% from the previous year. Also, in total, the company's assets also decreased by 9.45% from the previous year. Also, the following current liabilities decreased by 0.45% from the previous year, or IDR 160,791 million, compared to 2017, of IDR 293,712 million. In 2019 the current ratio value decreased from 52.63% to 482.96% in the previous year. This was due to current assets, which increased by 0.04% from the previous year or IDR 898.943 million compared to 2018 of IDR 861.172 million. Also, cash and cash equivalents increased by 0.83% from the previous year, while other assets decreased by 0.30% from the previous year. The total assets owned by the company experienced an increase of 3.94% from the previous year. Following current liabilities, it also increased by 0.15% from the previous year, or IDR 186,132 million, compared to 2018, of IDR 160,791 million.

*Solvency Ratio (Debt to Assets Ratio)*

In table 5, the solvency ratio, as measured by the debt-to-assets ratio, fluctuates yearly. In 2015 the DAR value was 0.36%, and in 2016 the DAR value decreased to 0.30%; until 2018, it was 0.20%; in 2019, the DAR value again increased by 0.02% from the previous year to 0.22%. In 2016 the DAR value decreased by 0.06% from the previous year to 0.30%. This result is obtained by

comparing the company's total debt to total assets. The total debt obtained in 2016 amounted to Rp. 398.991 million, different from the previous year, which was a more significant value than in 2016 of Rp. 478.483 million. This year, total assets increased from the previous year by 0.73% or IDR 1.342 billion compared to 2015 of IDR 1.332 billion. In 2017 the DAR value decreased by 0.03% from the previous year to 0.27%. This result is obtained by comparing the company's total debt to total assets. The total debt obtained in 2017 amounted to Rp. 362.541 million, different from the previous year, which was a more significant value than in 2017 of Rp. 398.991 million. This year, total assets increased from the previous year by 0.81% or IDR 1.353 billion compared to 2016 of IDR 1.342 billion. In 2018 the DAR value again decreased by 0.07% from the previous year to 0.20%. This result is obtained by comparing the company's total debt to total assets. The total debt obtained in 2018 was Rp. 247.621 million, different from the previous year, was a more significant value than in 2018 of Rp. 362.541 million. This year, total assets decreased from the previous year by 9.45% or IDR 1.225 billion compared to 2017 of IDR 1.353 billion. In 2019 the DAR value increased by 0.02% from the previous year to 0.22%. This result is obtained by comparing the company's total debt to total assets. The total debt obtained in 2019 was IDR 284,037 million, different from the previous year, which was lower than 2019, IDR 247,621 million. This year, total assets increased from the previous year by 3.94% or IDR 1.274 billion compared to 2018 of IDR 1.225 billion.

#### *Activity Ratio (Total Assets Turn Over)*

In table 5, the activity ratio, as measured by total assets turnover, tends to decrease. In 2015 the total assets turnover was 124.65%, an increase in 2016 by 12.34% to 136.99%, and from 2017 to 2019, it decreased to 82.01%. In 2016 the total assets turnover was 136.99%, an increase from the previous year of 12.34%. These results were obtained by comparing the company's sales to the total assets owned by the company. In 2016 the company's sales value was IDR 1.839 billion, an increase from the previous year of 0.10%; total assets also increased by 0.73% from the previous year or IDR 1.342 billion compared to 2015 of IDR 1.332 billion. In 2017 the value of total assets turnover was 124.53%, a decrease from the previous year of 12.46%. These results were obtained by comparing the company's sales to the total assets owned by the company. In 2017 the company's sales value was IDR 1.685 billion, a decrease from the previous year of 0.08%, then total assets also increased by 0.81% from the previous year or IDR 1.353 billion compared to 2016 of IDR 1.342 billion. In 2018 the value of total assets turnover was 120.45%, a decrease from the previous year of 4.08%. These results were obtained by comparing the company's sales to the total assets owned by the company. In 2018 the company's sales value was IDR 1.476 billion, a decrease from the previous year of 0.12%, then total assets also decreased by 9.45% from the

previous year or IDR 1.225 billion compared to 2017 of IDR 1.353 billion. In 2019 the total assets turnover was 82.01%, an increase from the previous year of 38.44%. These results were obtained by comparing the company's sales to the total assets owned by the company. In 2019 the company's sales value was IDR 1.044 billion, a decrease from the previous year of 0.29%, then total assets increased by 3.94% from the previous year or IDR 1.274 billion compared to 2018 of IDR 1.225 billion.

#### *Profitability Ratio (Net Profit Margin)*

In table 5, the profitability ratio, as measured by the net profit margin, fluctuates. In 2015 the value obtained was 6.76%, and it increased in the following year by 0.37% to 7.13%; then, in 2017, it decreased until 2018 by 2.75%, and in 2019 it again increased by 0.25%. This is because the value of profit earned after tax also fluctuates. In 2016 the value obtained was 7.13%, an increase from the previous year of 6.76%; this was because the profit earned also increased as well as the profit earned after tax also increased by 0.16% from the previous year, the factor Another thing that also influences is the high tax earned this year. The total sales increased by 0.10 from the previous year, or IDR 1.839 billion, compared to 2015, of IDR 1.661 billion. In 2017 the value obtained was 6.31%, which decreased from the previous year of 0.82%; this was because the profit earned, and the profit obtained after tax also decreased by 0.18% from the previous year. In 2017 the total sales obtained also decreased by 0.08% from the previous year, or IDR 1.685 billion, compared to 2016 of IDR 1.839 billion. In 2018 the value obtained was 2.75%, a decrease from the previous year of 3.56%; this was because the profit earned, and the profit obtained after tax also decreased by 0.61% from the previous year. In 2018 the total sales obtained also decreased by 0.12% from the previous year, or IDR 1.476 billion, compared to 2017 of IDR 1.685 billion. In 2019 the value obtained was 3.00%, an increase from the previous year of 0.25%; this was because other income also increased from the previous year by 0.39% or IDR 14,386 million compared to 2018, amounting to IDR 10,319 million and profit before tax earned decreased from the previous year as well as profit earned after tax also decreased by 0.22% from the previous year. In 2019 the total sales obtained also decreased by 0.29% from the previous year, or IDR 1.044 billion, compared to 2017 of IDR 1.476 billion.

## **Discussion**

### *PT. Gudang Garam Tbk*

Financial performance in the company PT. Gudang Garam Tbk, during the study period, experienced good performance, seen from the ratio of liquidity, solvency, activity, and profitability continued to increase every year, and experienced an increase in the company's current assets

and current liabilities, which also fluctuated and increased, p. this indicates good performance, the total assets owned also fluctuate and increase from year to year which, although in specific years there has been a decrease, it does not affect its financial performance.

*PT. H.M Sampoerna Tbk*

Financial performance at PT. During the study period, HM Sampoerna Tbk performed exceptionally well even though the resulting financial performance fluctuated but not to the point of experiencing losses, as seen in 2019, which experienced a decline; in fact, the current assets owned experienced an increase. As well as the total assets owned also increased from year to year during the study period. Also, following the value of cash and cash equivalents which has also increased from year to year, this indicates that the company's financial performance can also be categorized as good.

*PT. Bentoel Internasional Investama Tbk*

Financial performance at PT. Bentoel Internasional Investama Tbk, during the study period, experienced fluctuations, seen from the value of the liquidity ratio, which continued to increase, indicating good performance because the higher the value of this ratio, a company could be said to be in good condition, as well as its solvency ratio which also experienced an increase from year to year even though in specific years it also experienced a not too significant decrease, and also in the value of the activity ratio which also experienced an increase during the study period. However, at the end of 2019, it experienced a decrease but in total assets owned, it increased, in contrast to the profitability ratio, which decreased during the study period and also experienced sizable losses from year to year, so it can be said that the financial performance of this company is categorized as evil.

*PT. Wismilak Inti Makmur Tbk*

Financial performance at PT. Wismilak Inti Makmur Tbk, during the study period, is quite good, as seen from the value of the ratio of liquidity, solvency, activity, and profitability, which every year during the study period fluctuated and tended to increase. This is because the company's total assets, debt, and capital have also increased, and funds in profits earned each year have also increased, so it can be said that the financial performance that is owned is categorized as good. The higher the value of the ratio owned, the better the company's financial performance, thus enabling the desired profit.

## 5. Conclusion and Suggestion

PT Gudang Garam Tbk has a good performance marked by an increase in the company's liquidity, solvency, activity, and profitability ratios. When measured against liquidity ratios and solvency, PT. H.M. Sampoerna Tbk fares well; it fares poorly when measured against activity ratios and profitability. The performance of PT Bentoel Internasional Investama Tbk could be better. The ratio of its profitability shows annual losses, while the ratios of its liquidity, solvency, and activity fluctuate. The liquidity, solvency, and profitability ratios for PT Wismilak Inti Makmur are all reasonably strong, but the activity ratio's value has been steadily decreasing. Thus, the company's overall performance is only so-so.

Companies like Gudang Garam and Bentoel International, which need help with low liquidity levels, should fully prioritize increasing sales volume possible to fortify the position of existing assets utilized and better manage their capital. Bentoel International is a financially stable company that may grow production without raising prices. Because the company will have trouble meeting its financial obligations if it cannot use its capital effectively. Companies with a low activity level, like Gudang Garam and Wismilak, need to keep expanding their sales through more effective use of their assets so that the same number of assets can generate more revenue thanks to increased asset turnover. Companies like Bentoel International, which have been struggling to profit, can improve their financial standing by reducing wasteful spending and increasing the efficiency with which they use their assets and the capital they have on hand. It is envisaged that additional financial ratios can be included in future studies, as well as various techniques for evaluating financial performance.

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