

Analysis Of Cash Flow And Liquidity In Measuring Financial Performance At Pt. Adhi Karya (Persero) Tbk On The Indonesia Stock Exchange

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Abstrak

The purpose of this study is to determine and analysis PT. Adhi Karya (Persero) Tbk's financial performance using cash flow ratios and liquidity ratios over the previous 5 (five) years. PT. Adhi Karya (Persero) Tbk's financial reports for the 5 (five) quarters between 2015 and 2019 make up the population in this analysis. This study uses PT. Adhi Karya (Persero) Tbk's 5 (five) period 2015-2019 balance sheets, income statements, and cash flow statements as its data samples. Documentation is used as the technique of data gathering for this investigation. The cash flow ratio used in the analysis shows poor financial performance. This is due to the fact that the company cannot meet its upcoming obligations as determined by the cash flow ratio calculations, which show that the operating cash flow ratio (OCFR), the cash coverage ratio of current liabilities (CCRCL), and the total debt ratio (TDR) are all below one (1). However, from 2015 to 2019, the liquidity ratio, namely the Current Ratio (CR), shows that PT. Adhi Karya (Persero) Tbk has achieved a great deal financially. This is so because the value of the Current Ratio is higher than the norm for the business sector. From 2016 to 2019, the Cash Ratio has been below the industry average, indicating poor performance.

Keywords: Cash Flow, Financial Performance, and Liquidity.

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INTRODUCTION

One of the most typical goals for companies, as a kind of business organization, is to increase its financial footing. But a firm's financial health determines how well it can pursue its goals. To evaluate a business, we must comprehend how well it uses its available resources to accomplish its objectives and maximize its earnings.

A company's financial health may be evaluated by studying its "financial performance." Financial ratio analysis is often used to evaluate businesses. Cash flow statement analysis, however, is another kind of analysis that should not be overlooked in favor of financial ratio analysis.

According to PSAK Number 2 of 2009, published by the Indonesian Institute of Accountants (IAI), a cash flow statement is a report that depicts the historical changes in cash and cash equivalents of an entity and categorizes cash flows based on operating, investing, and financing activities during a specific period. The company's capacity to generate cash flow and put it to use in running the business is a crucial

performance indicator. Investors, creditors, and other stakeholders may also utilize the cash flow statement to assess the company's profitability and liquidity. A company's liquidity is its capacity to pay its bills as they come due and invest in the future.

One of the public firms involved in construction services, infrastructure development, property, real estate, and Engineering, Procurement, and Construction (EPC), PT. Adhi Karya (Persero) Tbk is the focus of this investigation. Roads, bridges, irrigation canals, power plants, and ports are all part of its infrastructure portfolio, while high-rises, hotels, hospitals, and educational institutions make up its construction portfolio. In 2004, the Indonesian government sold 49% of its shares in the firm on the Indonesia Stock Exchange (IDX). The Indonesia Stock Exchange (IDX) has its first publicly traded state-owned construction enterprise in PT. Adhi Karya (Persero) Tbk.

Below is a table showing PT. Adhi Karya (Persero) Tbk.'s financial information over the last five years, from 2015 to 2019.

Table 1. The Cash Flow of PT. Adhi Karya (Persero) Tbk On The Indonesia Stock Exchange 2015-2019.

Year	Operating Cash Flow (Rp)	Investing Cash Flow (Rp)	Financing Cash Flow (Rp)
2015	241.052.341.639	(224.003.058.587)	3.489.682.454.785
2016	(1.858.973.543.725)	(243.805.937.507)	1.150.500.462.074
2017	(3.226.995.448.375)	(85.924.562.921)	4.079.183.303.453
2018	853.593.583.910	(1.187.041.268.468)	534.689.469.648
2019	496.197.490.895	(1.514.892.130.158)	1.010.667.876.639

Source: Financial Report of PT. Adhi Karya (Persero) Tbk (data has been processed)

It is clear from examining Table 1 that PT. Adhi Karya (Persero) Tbk's cash flow from operational operations fluctuated from 2015 to 2019. The substantial operational costs and investments in operating assets the firm incurred in 2016 and 2017 led to a considerable and even negative drop in operating cash flow. In contrast, operational cash flow increased again in 2018-2019. Specifically, this was because the company's operational cash inflows increased far more than its operational revenue. However, between 2015 and 2019, the investment cash flow steadily dropped, often reaching negative levels. The major reason for this was the investment activities cash outflow caused by the company's purchase of fixed assets. However, there were variations in the financing cash flow from one year to the next. The company's ability to finance its operations decreased in 2016 as a result of its repayment of loans. Cash inflow from finance operations grew in 2017, however, as a consequence of the company's increasing borrowing. The finance cash flow fell again in 2018, but it's expected to rise this year.

Table 2. Current Assets and Current Liabilities of PT. Adhi Karya (Persero) Tbk On The Indonesia Stock Exchange 2015-2019.

Year	Current Assets (IDR)	Change (%)	Current Liabilities (IDR)	Change (%).
2015	14.691.152.497.441	-	9.414.462.014.334	-
2016	16.792.278.617.059	14,30%	12.986.623.750.004	37,94%
2017	24.817.671.201.079	47,79%	17.633.289.239.294	35,78%
2018	25.429.544.167.566	2,47%	18.934.699.447.368	7,38%
2019	30.315.155.278.021	19,21%	24.493.176.968.328	29,36%

Source: Financial Report of PT. Adhi Karya (Persero) Tbk (data has been processed).

Table 2 shows that PT. Adhi Karya (Persero) Tbk's current assets and current liabilities have grown every year between 2015 and 2019. Looking at the percentage change, however, the growth of both current assets and current liabilities showed some variation. The value of current assets rose dramatically last year, by 47.79%. After dropping to 2.47 percent in 2018, it spiked back up by 19.21 percent in 2019. Conversely, although current liabilities fell between 2016 and 2018, they rose by 29.36% this year.

The researcher is interested in performing a study with the working title "Analysis of Cash Flow and Liquidity in Measuring Financial Performance at Pt. Adhi Karya (Persero) Tbk on the Indonesia Stock Exchange" because of the aforementioned phenomena.

LITERATURE REVIEW

Financial Reports

Financial reports are described by Fahmi (2014:31) as "information that describes the financial condition of a company and, furthermore, this information can be used as an overview of the company's financial performance." As opposed to this, financial reports, in the words of Kasmir (2019:7), "depict the financial condition of a company at a given point in time (for the balance sheet) or over a specific period (for the income statement)". The company's financial standing as of a certain date (for the balance sheet) or time period (for the income statement) is referred to as its current condition.

Financial Performance

Financial performance, as described by Jumingan (2011:239), is "an overview of a company's financial condition over a specific period, encompassing aspects of fund collection and fund allocation, typically measured by indicators such as capital adequacy, liquidity, and profitability." The financial success of a corporation, on the other hand, is described by Sutrisno (2014:53) as "the achievement attained by a company within a specific period, reflecting the level of its health." The review of a company's financial situation to determine its capacity or financial success within a certain time period is what financial performance is, according to both definitions.

Cash Flow Statement

Hery (2014) states that "the Cash Flow Statement is a report that presents detailed information about the cash inflows and outflows from each activity, including operating activities, investing activities, and financing activities, for a specific period of time." Harahap (2015:257), on the other hand, claims that "the Cash Flow Statement provides relevant information about the cash receipts and payments of a company during a specific period, by classifying transactions into operating, financing, and investing activities."

The Cash Flow Statement is a financial report that details cash collections and cash payments during a certain time period by categorizing transactions into operating, financing, and investing activities, as may be inferred from the aforementioned descriptions.

Cash Flow Ratios

According to Darsono and Ashari (2011:111), the cash flow ratios used to measure a company's financial performance are as follows:

1. Operational Cash Flow Ratio (OCFR), which measures how well operating cash flow can cover current obligations, is a ratio.
2. A measure called the Cash Coverage Ratio of Interest (CCRI) is used to assess a company's capacity to pay the interest on its existing debt.
3. The Cash Coverage Ratio of Current Liabilities (CCRCL), which is based on net operational cash flow, is a ratio used to assess a company's capacity to pay current obligations.
4. Total Debt Ratio (TDR) is a ratio that indicates the time period for debt repayment by company, assuming that all operating cash flows are used to repay debt.

Liquidity

Liquidity ratios are "ratios that depict a company's ability to meet short-term obligations (debts)," according to Kasmir (2019:129). It implies that the business will be able to pay its obligations, particularly those that have matured, if payment is required. The various liquidity ratios include the following:

1. The Current Ratio is a ratio used to measure a company's ability to pay down short-term obligations or debts that will mature soon when demanded in their entirety.
2. The Quick Ratio, sometimes called the Acid-Test Ratio, is a ratio that shows how well a business can cover its short-term liabilities and current obligations with its current assets, excluding inventory value.
3. The *Cash Ratio* is a ratio for calculating the amount of cash available to pay off debts.

RESEARCH METHOD

Location and Research Design

For the years 2015 through 2019, financial information from PT. Adhi Karya (Persero) Tbk was gathered for this study. The Indonesia Stock Exchange (IDX)'s official website, www.idx.co.id, was where the study's data came from.

This study uses a quantitative method and is descriptive in nature. Using research phases and a quantitative methodology, descriptive quantitative research tries to methodically, factually, and properly explain the facts and features of a certain population or try to illustrate a phenomena in depth.

Population and Sample

The definition of population given by Sugiyono (2017:80) is "a region or generalization consisting of objects or subjects that have certain quantities and characteristics determined by the researcher to be studied and then drawn conclusions from." The financial reports of PT. Adhi Karya (Persero) Tbk on the Indonesia Stock Exchange from 2015 to 2019 were the population utilized in this study.

The definition of a sample, according Sugiyono (2017:81), is "a portion of the quantity and characteristics possessed by the population." The balance sheet, income statement, and cash flow statement of PT. Adhi Karya (Persero) Tbk on the Indonesia Stock Exchange from 2015 to 2019 make up the sample in this study.

Data Collection Method

Documentation is the technique of data collecting in this study. The process of documentation entails acquiring written data in the form of papers that are pertinent to the data required for the investigation. The Indonesia Stock Exchange (IDX) official website at www.idx.co.id and the official website of PT. Adhi Karya (Persero) Tbk at www.adhi.co.id are where researchers collected information about the company, in particular the financial reports of PT. Adhi Karya (Persero) Tbk from 2015 to 2019.

Data Analysis Method

In analyzing the obtained data, the following steps can be taken:

1. Prepare the financial statements obtained from the relevant Indonesia Stock Exchange, including the balance sheet, income statement, and cash flow statement.
2. Perform cash flow analysis on PT. Adhi Karya (Persero) Tbk using cash flow ratios, which include:

- a. Operating Cash Flow Ratio (OCFR)

$$OCFR = \frac{\text{Total Operating Cash Flow}}{\text{Current Liabilities}}$$

If the operating cash flow ratio is below 1 (<1), it indicates that there is a possibility that the company may not be able to pay its current liabilities.

- b. Cash Coverage Ratio of Interest (CCRI)

$$CCRI = \frac{\text{Operating Cash Flow} + \text{Interest} + \text{Taxes}}{\text{Interest}}$$

If the cash coverage ratio of interest is above one (>1), it indicates that the company has better ability to cover interest expenses.

- c. Cash Coverage Ratio of Current Liabilities (CCRCL)

$$CKHL = \frac{\text{Operating Cash Flow} + \text{Cash Dividends}}{\text{Current Liabilities}}$$

If the cash coverage ratio of current liabilities is below one (<1), it indicates that the company has a very low ability to pay its current liabilities.

d. Total Debt Ratio (TDR)

$$\text{TDR} = \frac{\text{Operating Cash Flow}}{\text{Total Debt}}$$

If the total debt ratio is below one (<1), it indicates that the company has a less favorable ability to pay off all obligations (debts) arising from the company's operating activities.

3. Performing liquidity ratio analysis using:

a. Current Ratio

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$$

To measure financial performance, the most important benchmark is the industry average for similar companies. Since PT. Adhi Karya (Persero) Tbk is a company in the Construction industry, the standard industry averages are as follows:

Table 3. Industry Average Current Ratio for Construction Companies

No	Company Name	Year				
		2015	2016	2017	2018	2019
1	PT. Nindya Karya Tbk	117%	114%	129%	123%	120%
2	PT. Wijaya Karya Tbk	118%	147%	134%	161%	139%
3	PT. Waskita Karya Tbk	132%	126%	100%	117%	108%
4	PT. Adhi Karya Tbk	156%	129%	140%	134%	123%
5	PT. Brantas Abipraya Tbk	138%	114%	125%	129%	125%
6	PT. Hutama Karya Tbk	185%	133%	108%	87%	101%
7	PT. Pembangunan Perumahan Tbk	138%	199%	209%	179%	132%
Industry Average		140%	137%	135%	132%	121%

Source: Data processed in 2021

b. Cash Ratio

$$\text{Cash Ratio} = \frac{\text{Cash}}{\text{Current Liabilities}} \times 100\%$$

To measure financial performance, the most important benchmark is the industry average for similar companies. Since PT. Adhi Karya (Persero) Tbk is a company operating in the Construction sector, the standard industry averages are as follows:

Table 4. Industry Average Cash Ratio for Construction Companies

No	Company Name	year				
		2015	2016	2017	2018	2019
1	PT. Nindya Karya Tbk	35%	10%	29%	14%	12%
2	PT. Wijaya Karya Tbk	24%	63%	43%	49%	34%
3	PT. Waskita Karya Tbk	40%	34%	11%	19%	20%

4	PT. Adhi Karya Tbk	45%	25%	23%	111%	74%
5	PT. Brantas Abipraya Tbk	61%	40%	35%	40%	39%
6	PT. Hutama Karya Tbk	77%	52%	40%	27%	38%
7	PT. Pembangunan Perumahan Tbk	27%	22%	29%	36%	16%
Industry Average		44%	35%	30%	42%	33%

Source: Data processed in 2021

RESEARCH FINDINGS

1. Cash Flow Analysis

The calculation of cash flow ratios over a period of 5 (five) years, from 2015 to 2019, is as follows:

a. Operating Cash Flow Ratio (OCFR)

Table 5. Operating Cash Flow (OCFR) Ratio Values of PT. Adhi Karya (Persero) Tbk 2015-2019.

Year	Operating Cash Flow (Rp)	Current Liabilities (Rp)	Ratio OCFR
2015	241.052.341.639	9.414.462.014.334	0,03
2016	(1.858.973.543.725)	12.986.623.750.004	(0,14)
2017	(3.226.995.448.375)	17.633.289.239.294	(0,18)
2018	853.593.583.910	18.934.699.447.368	0,05
2019	496.197.490.895	24.493.176.968.328	0,02

Source: Processed Data Results for the Year 2021

Based on Table 5 above, it can be seen that the Operating Cash Flow Ratio (OCFR) from 2015 to 2019 consistently shows values below one (<1). This indicates that there is a possibility that the company may not be able to pay its current obligations solely using its operating cash flow.

b. Cash Coverage Ratio of Interest (CCRI)

Table 6. Cash Coverage Ratio of Interest (CCRI) Values of PT. Adhi Karya (Persero) Tbk 2015-2019

Year	Operating Cash Flow (Rp)	Interest (Rp)	Tax (Rp)	Ratio CCRI (times)
2015	241.052.341.639	228.078.693.423	284.240.647.501	3,30
2016	(1.858.973.543.725)	317.449.771.840	284.905.201.40	(4,85)

2017	(3.226.995.448.375)	503.194.749.968	440.221.781.551	(4,54)
2018	853.593.583.910	530.803.450.520	518.272.822.924	3,58
2019	496.197.490.895	829.477.178.005	497.083.535.297	2,19

Source: Processed Data Results for the Year 2021

Based on Table 6 above, it can be observed that the Cash Coverage Ratio of Interest (CCRI) in 2015 shows a value above one (>1). However, in 2016-2017, the Cash Coverage Ratio of Interest (CKB) for the company shows negative values or remains below one (<1), indicating that the operating cash flow does not have a good ability to cover interest expenses, and there is a possibility that the company may not be able to pay significant interest. However, in 2018-2019, the Cash Coverage Ratio of Interest (CKB) for the company shows values above one (>1).

c. Cash Coverage Ratio of Current Liabilities (CCRCL)

Table 7. Cash Coverage Ratio (CCRCL) Values of PT. Adhi Karya (Persero) Tbk 2015-2019

Year	Operating Cash Flow (Rp)	Current Liabilities (Rp)	Ratio CCRCL (times)
2015	241.052.341.639	9.414.462.014.334	0,02
2016	-1.858.973.543.725	12.986.623.750.004	(0,14)
2017	-3.226.995.448.375	17.633.289.239.294	(0,18)
2018	853.593.583.910	18.934.699.447.368	0,04
2019	496.197.490.895	24.493.176.968.328	0,02

Source: Processed Data Results for the Year 2021

Based on Table 7 above, it can be seen that the Cash Coverage Ratio of Current Liabilities (CCRCL) from 2015 to 2019 consistently shows values below one (<1), indicating that the company's ability to pay its current obligations is very low.

d. Total Debt Ratio (TDR)

Tabel 8. Value of the Total Debt Ratio (TDR) of PT. Adhi Karya (Persero) Tbk 2015-2019

Year	Operating Cash Flow (Rp)	Total Debt (Rp)	Ratio TDR
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2015	241.052.341.639	11.598.931.718.043	0,021
2016	(1.858.973.543.725)	14.594.910.199.271	(0,127)
2017	(3.226.995.448.375)	22.463.030.586.953	(0,144)
2018	853.593.583.910	23.806.329.077.039	0,036
2019	496.197.490.895	29.681.535.534.528	0,017

Source: Processed Data Results for the Year 2021

Based on Table 8 above, it can be observed that the Total Debt Ratio (TDR) from 2015 to 2019 consistently shows values below one (<1). This indicates that the company has a less favorable ability to pay off all its obligations from the cash flow generated from its operating activities..

2. Liquidity Ratio

The liquidity ratio calculation over the course of 5 (five) years, from 2015 to 2019, is as follows:

a. Current Ratio

Table 9. Current Ratio Values of PT. Adhi Karya (Persero) Tbk 2015-2019

Year	Current Assets	Current Liabilities	Current Ratio	Industry Standard
2015	14.691.152.497.441	9.414.462.014.334	156,05%	140%
2016	16.792.278.617.059	12.986.623.750.004	129,30%	137%
2017	24.817.671.201.079	17.633.289.239.294	140,74%	135%
2018	25.386.859.425.078	18.934.699.447.368	134,08%	132%
2019	30.315.155.278.021	24.493.176.968.328	123,77%	121%

Source: Processed Data Results for the Year 2021

Based on Table 9 above, it can be seen that the liquidity ratio of PT. Adhi Karya, as measured by the *Current Ratio* from 2015 to 2019, is satisfactory. This is because the Current Ratio values have reached or are above the industry's average standard.

b. Cash Ratio

Table 10. Cash Ratio Values of PT. Adhi Karya (Persero) Tbk 2015-2019

Year	Cash	Current Liabilities	Cash Ratio	Industry Standard
2015	4.317.347.903.384	9.414.462.014.334	45,86%	44%
2016	3.364.910.489.288	12.986.623.750.004	25,91%	35%
2017	4.131.173.781.445	17.633.289.239.294	23,43%	30%
2018	3.263.036.627.238	18.934.699.447.368	17,23%	42%
2019	3.255.009.864.614	24.493.176.968.328	13,29%	33%

Source: Processed Data Results for the Year 2021

Based on Table 10 above, it can be seen that the liquidity ratio of PT. Adhi Karya (Persero) Tbk, measured using the Cash Ratio in 2015, is satisfactory as the Cash Ratio value is above the industry average standard. However, in 2016-2019, the Cash Ratio of PT. Adhi Karya (Persero) is not satisfactory, as the Cash Ratio value is below the industry average standard.

DISCUSSION

1. Cash Flow Ratio

a) Operating Cash Flow Ratio (OCFR)

Looking at the data from the PT. Adhi Karya (Persero) Tbk cash flow ratio calculation, it can be seen that the operating cash flow ratio, which measures the cash flow ratio, regularly displays values below one (1) from 2015 to 2019. This suggests that there is a chance the business could not be able to pay its short-term debts entirely out of operational cash flow. This occurs as a result of the company's current obligations increasing in value each year relative to operational cash flow. Due to this, the firm has a yearly capacity to satisfy its commitments that is quite low, which has a negative impact on its financial performance. The company's efficient operations and capacity to sustainably finance its operational activities would suffer if this keeps happening. In order to satisfy all of its current obligations, the corporation should optimize the cash flow generated by its operational operations.

b) Cash Coverage Ratio of Interest (CCRI)

Looking at the information from the PT. Adhi Karya (Persero) Tbk cash flow ratio calculation, it can be seen that the cash flow ratio, as determined by the Cash Coverage Ratio of Interest in 2015, showed values above one (>1), indicating that the business has a better ability to cover interest expenses. However, the firm's CCRI ratio in 2016-2017 had negative values or stayed below one (1), demonstrating that the capacity of the company to pay interest costs is not very good. In order to make sure that the net cash produced from operational operations can cover interest costs, the firm should be more careful when asking for loans from stakeholders. However, the company's CCRI ratio in 2018-2019 had values over one (>1), demonstrating a superior capacity to pay interest costs.

c) Cash Coverage Ratio of Current Liabilities (CCRCL)

PT. Adhi Karya (Persero) Tbk's cash flow ratio, as determined by the Cash Coverage Ratio of Current Liabilities from 2015 to 2019, constantly displays values below one (1). This can be seen by looking at the data from the computation of the cash flow ratio. This indicates that the corporation has very little capacity to meet its present commitments. The low value of this ratio suggests that the company's financial performance is similarly subpar and that its capacity to pay its present creditors has been declining annually. In order to avoid additional drops in the ratio value, which might result in the firm being unable to meet its present commitments, it is advised that the company pay greater attention to the cash flow produced from its operational operations each year.

d) Total Debt Ratio (TDR)

Looking at the data from PT. Adhi Karya (Persero) Tbk's cash flow ratio calculation, it can be seen that, from 2015 to 2019, the cash flow ratio, as determined by the Total Debt Ratio, regularly displays values below one (1). This shows that the company's capacity to pay off all of its debts using the cash flow produced from its regular business operations is less favorable. This is due to the fact that the company's annual obligations exceed the cash flow it generates from its normal operations. In order to properly distribute the net cash earned from operational activities to pay the firm's commitments during operations, the company should exercise more caution when asking stakeholders for loans.

2. Liquidity Ratio

a) Current Ratio

Based on the results of the liquidity ratio calculation for PT. Adhi Karya (Persero) Tbk, it can be seen that the company's liquidity ratio, as measured by the *Current Ratio*, indicates a good performance from 2015 to 2019. This is because the *Current Ratio* value is above the industry average. This demonstrates that the company is sufficiently capable of meeting its current liabilities or short-term obligations. This situation is a result of the increase in current assets derived from cash and cash equivalents, trade receivables from sales, and advances paid, which is proportionate to the increase in current liabilities stemming from increased bank borrowings.

The above condition indicates that PT. Adhi Karya (Persero) Tbk has been effective and efficient in managing its assets to meet its current obligations. As a result, the company's situation or condition has improved, making it more appealing for investors to consider investing in the company.

b) Cash Ratio

Looking at the results of the liquidity ratio calculation for PT. Adhi Karya (Persero) Tbk, it can be observed that the company's liquidity ratio, as measured by the Cash Ratio, has been consistently declining from 2015 to 2019, and the Cash Ratio value remains below the industry's average standard. From this explanation, it can be concluded that the performance of PT. Adhi Karya (Persero) Tbk in terms of evaluating the *Cash Ratio* from 2015 to 2019 is not satisfactory. This condition indicates that the company is not sufficiently liquid to meet its current obligations using the available cash. This is because each year, the company's current liabilities are greater than its cash balance.

3. The Relationship between Cash Flow and Liquidity

Table 11. Cash Flow and Liquidity Ratios (Current Ratio) of PT. Adhi Karya (Persero) Tbk 2015-2019

Year	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Total Cash Flow	Current Ratio (%)
2015	241.052.341.639	(224.003.058.587)	3.489.682.454.785	3.506.731.737.837	156,05
2016	(1.858.973.543.725)	(243.805.937.507)	1.150.500.462.074	(952.279.019.158)	129,30
2017	(3.226.995.448.375)	(85.924.562.921)	4.079.183.303.453	766.263.292.157	140,74
2018	853.593.583.910	(1.187.041.268.468)	534.689.469.648	201.241.785.090	134,08
2019	496.197.490.895	(1.514.892.130.158)	1.010.667.876.639	(8.026.762.624)	123,77

Source: Financial Report of PT. Adhi Karya (Persero) Tbk (data has been processed)

Table 11 above demonstrates that the cash flow from operational operations was positive in 2015. This resulted from the company's revenues exceeding its operating costs. However, since the business bought a lot of assets, the cash flow from investment operations was negative. As a result of the firm taking out loans, the cash flow from financing operations was positive. The company's 2015 current ratio of 156.05% indicated a solid level of liquidity. The cash flow from operational operations decreased and became negative in 2016. This occurred as a result of the significant operational costs and investments in the company's operating assets. The company's acquisitions of fixed assets also contributed to the continued negative and further decline in the cash flow from operational operations. The cash flow from financial operations fell in 2016 compared to the prior year as well. This happened as a result of the corporation making substantial debt repayments. The company's liquidity (current ratio) also decreased as a result of the large reduction in cash flow.

The cash flow from operational operations continued to fall and became negative in 2017. The cash flow from investment operations continued to be negative, however in 2017 it either decreased or increased compared to 2016. But in 2017, the cash flow from finance operations rose. This happened as a consequence of the business taking out loans, which raised revenues from financing operations. The company's liquidity (current ratio) also improved as a result of the rise in cash flow.

In 2018, there was an increase and positive cash flow from operational operations. The cash flow from investment operations, however, shrank and became negative. This occurred as a result of the firm making acquisitions of fixed assets, as well as a drop in the cash flow from financing operations in 2018. Both the cash flow from investment activities and the cash flow from operating operations declined in 2019 and eventually became negative. The cash flow from financial operations, however, rose. In the meanwhile, the company's current ratio decreased from the previous year.

Due to the company's negative cash flows in both years, the entire amount of the company's cash flows in challenging circumstances happened between 2016 and 2019. This was brought on by a drop in operating revenue for the business and noticeably higher financing-related costs. On the other hand, based on the company's current ratio, which measures liquidity, there was insufficient liquidity in 2016 as a result of the current ratio being below the industry average. However, generally, PT. Adhi Karya (Persero) Tbk has strong liquidity as measured by its current ratio, which is higher than the industry average.

CONCLUSION

Based on the research findings and discussions above, it can be concluded that:

1. According to the research, PT. Adhi Karya (Persero) Tbk.'s financial performance, as measured by cash flow ratios, suggests below-average financial performance. This is because the operational cash flow ratio (OCFR), the cash coverage ratio of current liabilities (CCRCL), and the total debt ratio (TDR) do not match the necessary conditions and continue to be below one (1). This suggests that the business will not be able to fulfill its present commitments in a timely manner.
2. The financial performance of PT. Adhi Karya (Persero) Tbk., as measured by the liquidity ratio, namely the Current Ratio (CR), during the previous 5 (five) years,

reveals a very excellent accomplishment, according to the study carried out. This is due to the fact that the Current Ratio's value has matched or above the norm for the sector. However, PT. Adhi Karya (Persero) Tbk.'s financial performance as measured by the liquidity ratio more precisely, the Cash Ratio from 2016 to 2019 shows less than adequate success. This is because the Cash Ratio's value is still below the norm for the sector as a whole.

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