ANALYSIS OF FINANCIAL STATEMENTS AS A TOOL FOR ASSESSING THE FINANCIAL PERFORMANCE OF PT PEMBANGUNAN PERUMAHAN (Persero)

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Abstract

This study aims to analyze the financial performance of PT. Pembangunan Perumahan (Persero) Tbk in year of 2020, 2021 and 2022. This Study used liquidity ratios (current ratio and quick ratio), the solvency ratios (total debt to assets ratio and total debt to equity ratio), and profitability ratios (return on invesment and return on equity) as analysis tools. The results of current ratio and quick ratio research in 2020, 2021 and 2022 shows the company's financial condition is quite good, because the ratios are above the industry average. Based on the measuring of solvency ratios, the company can keep its financial ratios stable and at the industry level. Likewise with the profitability ratio, the company can maintain the company's income in the midst of a market that has not returned to normal and the calculation results remain above the industry average.

INTRODUCTION

Inancial statements are one of the most important information in assessing the development of the company, it can also be used to assess the achievements of the company in the past, present and plans for the future. Financial statements are generally presented to provide information about the financial positions, performance and cash flow of a company within a certain period. The financial statements present an overview of the financial position of the company's performance in generating profits. The company's financial position is shown in the balance sheet. The balance sheet describes the position of assets, liabilities, and capital at a certain time. This information is expected to be useful for most users of financial statements in order to make decisions. Assessment of the financial level of a company can be done by analyzing the company's financial statements.

To find out whether the company's financial statements are in good condition, various analyzes can be carried out, one of which is ratio analysis. There are several financial ratios commonly used, namely liquidity ratios, solvency ratios, profit/profitability ratios, leverage ratios, activity ratios and valuation ratios (Sutrisno, 2009: 215).

The level of liquidity is to show the extent of the company's ability to meet its short-term obligations with the guarantee of its current assets. While the level of solvency, shows the extent to which the company's ability to meet all its obligations with the guarantee of its assets and the level of profitability, shows the extent to which the company's ability to generate profits with its capital. The three ratios are closely related to the company's financial performance, and each of these analysis methods will provide information about the company's financial performance.

PT Pembangunan Perumahan is one of the leading State-Owned Enterprises in the construction sector in Indonesia. PT PP (Persero) is one of the main players in the national

construction business, by working on various national mega projects, including the Mandalika International Circuit, Pidekso Dam, Banten Stadium etc. This fact is the basis for analyzing how the financial performance of PT Pembangunan Perumahan, especially during the recovery period after the co-19 pandemic.

RESEARCH METHOD

a. Variabel identification

Variables are the most important indicators that determine the success of a study, this is because research variables are objects in a study. Based on the formulation of the problems that have been proposed, the variables in this study are liquidity, solvency, profitability and financial performance ratios.

b. Data Collection Method

The data collection method used in this research is the literature study method. Literature study is all efforts made by researchers to collect information that is relevant to the topic or problem being studied. Information in the form of scientific books, research reports, company financial data, and written sources either print or other electronic media.

In this study, the type of data used is secondary data. The secondary data needed is data related to the company's financial data and company history.

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c. Analisa Data

The data analysis technique used in this study is to use quantitative descriptive techniques, namely research methods that explain by calculating existing ratios with certain formulas which are then analyzed.

The analytical tool used in this study is to use ratio analysis. There are three ratios used to assess the company's financial performance, namely the liquidity ratio, solvency ratio and profitability ratio. The liquidity ratio is calculated from the current ratio and quick ratio. The solvency ratio is calculated from the total debt to assets ratio and the total debt to equity ratio. Meanwhile, the profitability ratio is calculated from return on investment and return on equity. Then we will analyze the three ratios. From the results of the analysis, then we will know how the level of financial performance at PT Housing Development (Persero) Tbk. In this study, a comparison of the financial performance of PT. Housing Development (Persero) Tbk. with several similar companies in Indonesia will also be carried out.
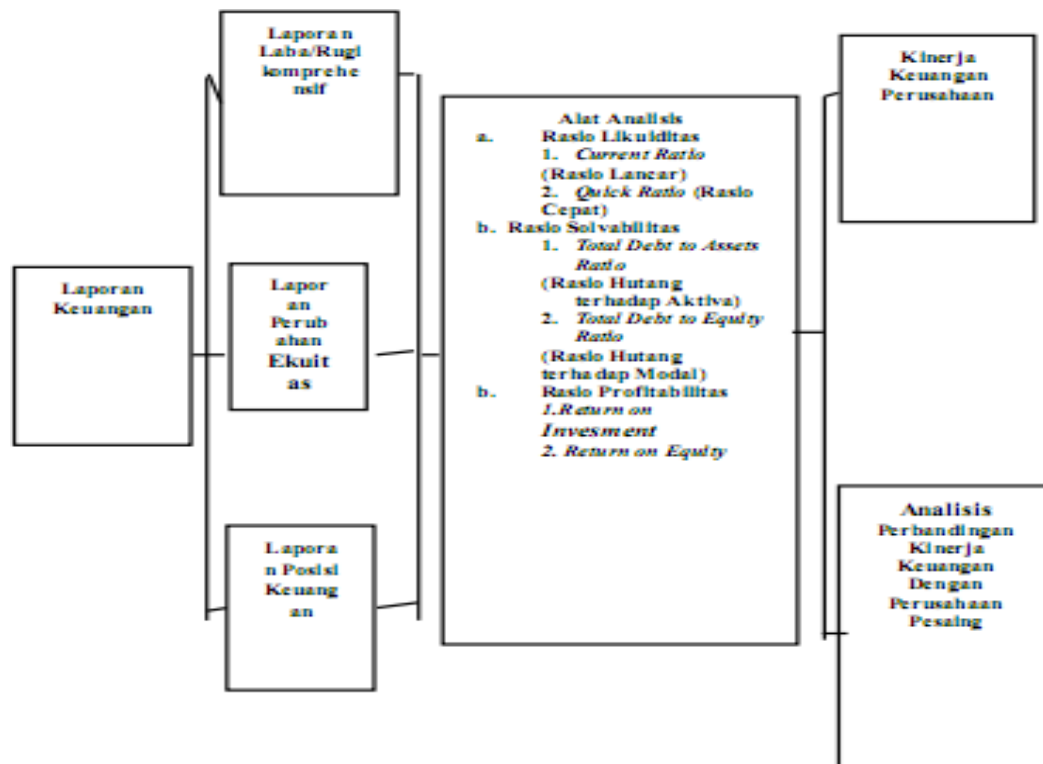
Picture 1 Mind Map

The formulas used to calculate these ratios are as follows:

1) Liquidity Ratio

   a. Current Ratio

   The current ratio is used to evaluate a company's ability to pay its short-term obligations, such as debts and wages. It is calculated by dividing current assets by current liabilities. The higher the result, the stronger the company's financial position.

   Current Ratio Formula

   $$Curent\ Ratio = \frac{Aktiva\ Lancar}{Utang\ Lancar}$$

   b. Quick Ratio

   Quick Ratio serves as an indicator of a company's short-term liquidity, or its ability to meet its short-term obligations. In other words, this ratio tests how much the company has in assets to pay off all its liabilities.

   Quick Ratio Formula

   $$Quick\ Ratio = \frac{Aktiva\ Lancar - Persediaan}{Utang\ Lancar}$$

2) Solvability Ratio

   a. Debt to Asset Ratio

   Is a ratio used to measure the ratio between total debt and total assets. Total assets are all total current assets with total non-current assets. Meanwhile, total debt is all total current debt and total non-current debt.

   $$Debt\ to\ asset\ ratio = \frac{Total\ Utang}{Total\ Aktiva}$$

b. Debt to Equity Ratio

Is a ratio used to measure the ratio between total debt and capital. Total debt is the sum of total current debt and total non-current debt. This ratio serves to find out how many dollars of own capital are made for debt collateral.

$$Debt\ to\ equity\ ratio = \frac{Total\ Utang}{Total\ Modal}$$

3) Profitability Ratio
   a. Return On Investment

This ratio shows what percentage of net income is obtained when measured from total assets. The greater this ratio the better.

$$ROI = \frac{Laba\ Bersih\ Setelah\ Pajak}{Total\ Aktiva}$$

   b. Return on Equity

The ratio used to measure net profit after tax with own capital. This ratio shows the efficient use of own capital. The higher this ratio, the better.

$$ROE = \frac{Laba\ Bersih\ Setelah\ Pajak}{Ekuitas}$$

RESULTS AND DISCUSSION

Based on the analysis of the three ratios above, the following are the results of the calculation of the financial ratios of PT Pembangunan Perumahan for three years 2020, 2021 and 2022.

Table 1 Financial Ratio Calculation Results

Rasio		2020	2021	2022	Index 2021/2020	Index 2022/2020
Liquidity	Current Ratio	114,46	111,9	121,03	97,76%	105,74%
	Quick Ratio	85,00	83,01	75,68	97,65%	89,04%
Solvabilitty	Debt to Asset Ratio	73,96	74,21	74,27	100,34%	100,42%
	Debt to Equity Ratio	284,07	288,72	287,81	101,64%	101,32%
Profitability	Return On Investment	5,09	5,02	5,39	98,62%	105,89%
	Return on Equity	2,24	2,52	2,47	112,50%	110,27%

1) Liquidity Ratio Analysis
   a) Current Ratio

In 2020 the Company's Current Ratio is 114.46%, which means that every IDR 1.00 of current debt will be guaranteed by IDR 1.14 of current assets. Meanwhile, in 2021 it became 111.9% or decreased by 3.24% and then increased to 121.03 in 2022 or increased by 5.74% when compared to 2020. In 2021 there was a slight decrease due to an increase in short-term liabilities that exceeded the value of the increase in assets, the company increased short-term debt and was accompanied by a decrease in company cash. In 2022 it increased again because short-term liabilities were

successfully reduced, namely payables to third parties and the maturity of the company's bonds, although the company's cash also decreased, but overall the current assets decreased less than the decrease in the company's short-term liabilities.

b) Quick Ratio

In 2020 the company's quick ratio is 85%, which means that every current debt of Rp 1.00 will be guaranteed by Rp 0.85 and then slightly decreased to 83.1% and decreased again to 75.68% in 2022. This indicates that the company looks difficult in terms of selling existing inventory, this is because many of PT Pembangunan Perumahan's projects are high rise buildings so that to be able to recognize the sale of units built must be completed first and the purchasing power of the buying public has improved since the covid 19 pandemic so that the company's inventory has increased.

2) Solvability Ratio Analysis

a) Total Debt to Asset Ratio

In 2020 the company's total debt to asset ratio was 73.96%, which shows that every Rp 1.00 of company debt is guaranteed by Rp 0.73 of company assets. The company can maintain the company's total debt in 2021 and 2022 and there is no significant increase, namely 74.21% in 2021 and 74.27% in 2022 respectively. This indicates that the company has succeeded in maintaining the company's solvency in the midst of purchasing power and the property or construction industry that has not yet recovered.

b) Total Debt to Equity Ratio

Just like with DAR, the company can maintain the company's debt situation in the midst of market sluggishness. In 2020 the company's Total Debt to Equity Ratio was at 284.07% and then increased slightly to 288.72% in 2021 and decreased again to 287.81% in 2022. The high Total Debt to Equity Ratio value is indeed a characteristic of companies in the construction sector that require working capital loans from banks and other financial institutions in carrying out a project compared to using the company's internal funds.

3) Profitability ratio analysis

a) In the calculation of Return on Investment in 2020 is 5.09% of the company's total assets while in 2021 it slightly decreased to 5.02% and increased again to 5.39% in 2022. This indicates that the company's performance, although it had decreased in 2021 in terms of profitability, improved again in 2022. The company's revenue continues to increase when compared to 2020 which reached IDR 15 Trillion then continued to increase to IDR 18 Trillion in 2022. It's just that in 2021 the company needs to continue to spend funds to complete existing projects and in 2022 it can refocus on business lines that are in good condition.

b) In the calculation of return on equity in 2020, the net profit generated was 2.24% of the company's equity. While in 2021 there was an increase to 2.54% and decreased slightly in 2022 to 2.47% or an increase of 10.27% when compared to 2020. There was a decrease in 2022 when compared to 2021 because the company took a strategy to reduce corporate debt so that the equity portion increased slightly when compared to 2021, although the company's revenue continued to increase, this resulted in a decrease in the ROE ratio. However, the company can be said to be able to maintain the stability of its returns amid the return of people's purchasing power after the effects of the co-19 pandemic.

4) Comparison Liquidity, Solvability and profitability

To see the condition of the company and the company's financial performance at PT Housing Development (Persero), whether the condition of the company and the level of the company's financial performance in fulfilling its obligations are better than other construction companies, especially compared to fellow State-Owned Enterprises in the construction sector because BUMNs in addition to seeking profit if burdened with obligations as government development agents, a comparison is made with three other construction companies, namely PT Waskita Karya, PT Wijaya Karya and PT Hutama Karya. Comparison of liquidity, solvency and profitability ratios between companies for the period 2020 - 2022 can be seen in table 2 below:

Table 2 Comparison of Liquidity Ratio, Solvency Ratio and Profitability Ratio of Companies Construction Company in 2020-2022

Rasio	PP			Waskita			
	2020	**2021**	**2022**	**2020**	**2021**	**2022**	**Rata-Rata Industri 2022**
Current Ratio	114,46%	111,90%	121,93%	32,00%	156,00%	156,00%	150,21%
Quick Ratio	85,00%	83,01%	75,68%	51,34%	140,567%	135,86%	117,3%
Total Debt to Assets Ratio	73,96%	74,21%	74,27%	76,00%	88,00%	85,00%	59,92%
Total Debt to Equity Ratio	284,07%	288,72%	287,81%	782,00%	570,00%	590,00%	309,3%
Return on Invesment	5,09%	5,02%	5,39%	-9,22%	-0,70%	-0,15%	2,51%
Return on Equity	2,24%	2,52%	2,47%	-81,26%	-14,21%	-15,11%	-4,07%
Rasio	Wika			HK			
	2020	**2021**	**2022**	**2020**	**2021**	**2022**	
Current Ratio	108,52%	100,59%	109,68%	79,76%	108,15%	213,23%	150,21%
Quick Ratio	86,33%	71,01%	76,44%	44,99%	85,08%	181,50%	117,3%
Total Debt to Assets Ratio	76,00%	75,00%	77,00%	6,80%	4,49%	3,41%	59,92%
Total Debt to Equity Ratio	309,00%	298,00%	329,00%	110,66%	56,68%	30,39%	309,3%
Return on Invesment	3,65%	3,04%	3,20%	3,21%	2,23%	1,60%	2,51%
Return on Equity	2,21%	1,29%	0,07%	-1,70%	-4,35%	-6,22%	-4,07%

From the calculation of financial ratios in the table above, a comparison of the liquidity, solvency and profitability ratios of PT Pembangunan Perumahan with 3 other State-Owned Enterprises in the field of Construction in 2020-2022 can be seen.

a) Liquidity Ratio

The liquidity ratio shown through the Current ratio of PT PP is in the range of 114-121% which in general can be said to be still quite good because it is still above the value of 100% which means that the company's current assets are still able to pay off the company's short-term debt. However, if you look at the quick ratio, PT PP's figure is still below the value of 100%. Likewise with WIKA which has a range of current ratio and quick ratio values that tend to be the same. However, PT PP's Current ratio and Quick ratio values are still below the industry average of 150% for Current Ratio and 117.37% for Quick Ratio.

b) Solvability Ratio

Solvency ratios represented by the total debt to asset ratio and total debt to equity ratio show that the majority of construction companies rely on debt in meeting their working capital. The results of the calculation of the DAR and DER ratios show that PT Pembangunan Perumahan is still below the industry average. This shows that the amount of company financing through debt is higher than similar companies, namely 74.27% compared to 59.92% in 2022 for the total debt to asset ratio. However, the value of PT PP's total debt to equity ratio is still slightly below the industry average of 287.81% compared to 309.30%, which indicates that the company's debt condition is still better than the industry average. Only PT Hutama Karya is a state-owned company that has a DAR and DER value below the industry value because the company has just received additional state capital (PMN).

c) Profitability Ratio

In the Return On Investment and Return On equity ratios, PT Pembangunan Perumahan recorded favorable results. The results of the calculation of these two profitability ratios show that PT Pembangunan Perumahan has succeeded in increasing and maintaining the company's income above the industry average amidst people's purchasing power that has not recovered as it was before the co-19 pandemic. In 2022 PT Pembangunan Perumahan recorded ROI and ROE of 5.39% and 2.47% respectively far above the industry average which was at 2.51% for ROI and -4.70% for ROE and far above the three other BUMNs used as comparisons.

CONCLUSION

Based on the ratios of liquidity, solvency and profitability, PT Pembangunan Perumahan (Persero) can be said to have succeeded in maintaining positive company performance amid low public demand and purchasing power. The liquidity ratio is still maintained above 100%, which means that the company's current assets are still sufficient to pay off the company's short-term liabilities, however, the company's quick ratio is not very good because it is below 100%. The main problem is the high value of inventory which continues to increase from 2020 to 2022.

The company's solvency is also still quite well maintained with the calculation results showing below the industry average for the total debt to equity ratio but for the total debt to asset ratio is below the industry with a margin of around 14%.

As for the profitability ratio, PT Pembangunan Perumahan is quite far above the industry average which indicates that the company's income is still good in the midst of declining demand and the company's products are well received by consumers.

The recommendation that can be given is for PT Pembangunan Perumahan to improve the company's long-term debt structure by restructuring to lenders. In addition, PT Pembangunan Perumahan can also increase inventory turnover by promoting existing product inventory or by bundling sales or asset recycling.

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