



## LIQUIDITY RATIO ANALYSIS IN MEASURING FINANCIAL PERFORMANCE BEFORE AND AFTER THE PANDEMIC COVID-19 AT PT. SELAMAT SEMPURNA TBK

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### Abstract

*To find out how the company's financial performance was before and during the Covid-19 pandemic, it is necessary to analyze financial reports, one of the analytical techniques is the financial ratio analysis technique. Financial ratio analysis generally consists of liquidity ratios, activity ratios, solvency ratios and profitability ratios. In this analysis, the ratio used is the liquidity ratio using the current ratio and quick ratio. This research uses secondary data where financial report data is taken from the Indonesia Stock Exchange (BEI) at [www.idx.co.id](http://www.idx.co.id). The data is in the form of financial reports which are the object of this research, which consist of balance sheets and profit and loss reports for the 2018 - 2021 period. The data source used was obtained directly, namely by using financial report documents of Retail Trade Subsector companies listed on the Indonesian Stock Exchange. It can be seen that in 2018 the current ratio value of PT Selamat Selamat Tbk was found to be 394.32% and increased by 69.33% in 2019. In 2020, while the Covid-19 pandemic was taking place, it actually experienced an increase of 11.41% from in 2019. And in 2021 it experienced a decrease of 158.53% from 2020. It can be seen that in 2018 the quick ratio value was found to be 233.02% and increased by 60.72% in 2019. In 2020, while the Covid-19 pandemic was taking place, it actually experienced an increase of 101.45% from in 2019. And in 2021 it experienced a decrease of 141.98% from 2020.*

**Keywords:** Company, Financial reports, Liquidity ratios.

### Introduction

Companies that carry out goods or service production activities to meet the demands and needs of society are also not free from the impact of Covid-19. Due to the decline in the country's economy, people's purchasing power also decreases. Causing companies to experience a decline in profits and even suffer losses because economic activities are not running smoothly, people are less interested in buying goods that are not basic necessities due to difficult financial conditions.

However, according to data from the Ministry of Industry of the Republic of Indonesia, manufacturing companies are still able to record positive trends in several sub-sectors even though they are under economic pressure due to Covid-19. This company, which produces raw materials into finished materials using equipment and production machines, recorded growth of 11.46 percent in the base metal industry in 2020, influenced by increasing foreign demand.

Financial reports are the main tool used to convey financial information to external parties who have interests in the company (Kieso et al., 2020). Financial reports are financial information that can describe the financial performance of a company. Financial performance is a reflection of the financial condition that has been achieved in a certain period by an organization or company to measure success in managing its resources. Financial performance is directly related to performance measurement and assessment. Financial performance assessment is one way for investors to see company performance which is used in making decisions in maintaining investment or looking for other alternatives. Financial performance measurement is used to obtain information for making the best decisions. The better the financial performance produced, the more investors will be interested in investing their capital in the company.

To find out how the company's financial performance was before and during the Covid-19 pandemic, it is necessary to analyze financial reports, one of the analytical techniques is the financial ratio analysis technique. Financial ratio analysis generally consists of liquidity ratios, activity ratios, solvency ratios and profitability ratios. In this analysis, the ratio used is the liquidity ratio using the current ratio and quick ratio. Liquidity is the

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company's ability to meet maturing obligations (short-term debt). This ability is realized if the amount of assets is greater than current liabilities.

The following is data on the current ratio and quick ratio at PT. Selamat Selamat Tbk for the 2018-2021 period



source: Financial Report PT. Selamat Sempurna Tbk, in [idx.co.id](http://idx.co.id)

The ratio analysis above is used as a reference for determining the dividend policy above, making researchers want to examine the extent of the impact that Covid-19 has on the ratios related to determining dividend policy. As we know, during the Covid-19 pandemic, many companies had to rethink the dividend policies they implemented. Because we all know that Covid-19 has had many negative impacts on the Indonesian economic sector. Based on the graph above, it can be seen that the liquidity ratio from 2018, 2019, 2020 continues to increase, but in 2021 the liquidity ratio at the company PT Selamat Selamat Tbk has decreased quite drastically from 2020.

**Research Method**

According to the approach taken, this research uses qualitative research. According to Moleong (2005:6), qualitative research is research that intends to understand phenomena about what is experienced by research subjects, for example behavior, perceptions, motivations, actions, etc. holistically, and by means of descriptions in the form of words and language, on a special natural context and by utilizing various natural methods. Qualitative research according to Hendryadi, et. al, (2019:218) is a naturalistic investigation process that seeks a deep understanding of natural social phenomena.

Meanwhile, according to Sugiyono (2019: 18) qualitative research methods are research methods that are based on the philosophy of postpositivism, used to research the conditions of natural objects, (as opposed to experiments) where the researcher is the key instrument, data collection techniques are carried out in a triangulated (combined) manner. ), data analysis is inductive/qualitative, and qualitative research results emphasize the meaning of generalizations.

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**Results and Discussion**

In this study, researchers examined PT Selamat Selamat Tbk for the 2018-2021 period using dividend payout ratio data, which is a measuring tool for dividend policy. Next, the company's financial performance is analyzed using the ratio, namely the liquidity ratio, as follows:

**Liquidity Ratio**

Liquidity ratios are measured using the quick ratio and current ratio.

**1. Current Ratio**

$$\frac{\text{current asset}}{\text{current liabilities}} \times 100\%$$

Table of Current Ratio Calculation Results

Years	Current Asset	Current Liabilities	current ratio calculation results
2018	Rp 1.853.782.000.000	Rp 470.116.000.000	394,32%
2019	Rp 2.138.324.000.000	Rp 461.192.000.000	463,65%
2020	Rp 2.294.976.000.000	Rp 398.392.000.000	576,06%



2021	Rp 2.795.010.000.000	Rp 669.419.000.000	417,53%
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Based on the table, it can be seen that in 2018 the current ratio value of PT Selamat Selamat Tbk was found to be 394.32% and increased by 69.33% in 2019. In 2020, while the Covid-19 pandemic was taking place, it actually experienced an increase of 11.41% from in 2019. And in 2021 it experienced a decrease of 158.53% from 2020.

2. Quick Ratio

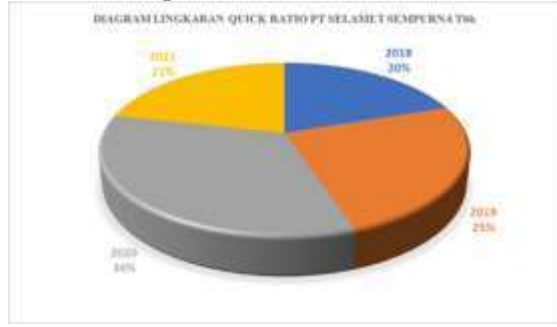
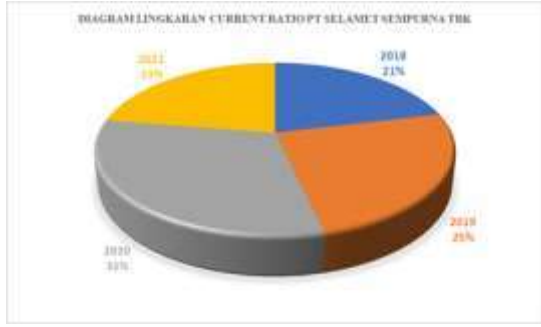
$$\frac{\text{current asset-supply}}{\text{current liabilities}} \times 100\%$$

Quick Ratio Calculation Results Table

Years	Current Assets (Rp)	Current Liabilities (Rp)	Inventory (Rp)	Quick Ratio Calculation Results
2018	1.853.782.000.000	470.116.000.000	470.116.000.000	233,02%
2019	2.138.324.000.000	461.192.000.000	461.192.000.000	293,74%
2020	2.294.976.000.000	398.392.000.000	720.543.000.000	395,19%
2021	2.795.010.000.000	669.419.000.000	1.099.924.000.000	253,21%

Source: Financial Report PT. Selamat Sempurna Tbk in idx.co.id, Data Processed (2022)

Based on the table, it can be seen that in 2018 the quick ratio value of PT Selamat Selamat Tbk was found to be 233.02% and increased by 60.72% in 2019. In 2020, while the Covid-19 pandemic was taking place, it actually experienced an increase of 101.45% from in 2019. And in 2021 it experienced a decrease of 141.98% from 2020.



3.1 The impact of ratio analysis produced by the company

The results of the current ratio research in 2019 were categorized as very healthy because in this period it was found that the value of current assets was better than the previous year and total sales increased greatly from the previous year. The results of the current ratio research in 2020 are categorized as very healthy because the use of cash is not accommodated for the company's production, where the company only maximizes profits from existing inventory. And the results of the current ratio research in 2021 are categorized as very healthy, although it is lower than the previous year, but this year the company experienced increased sales so that the company carried out production this year and maximized its profits, followed by increasing company debt as a form of impact from the pandemic. Covid-19.

The results of the quick ratio research in 2020 were categorized as very healthy due to changes in taxes and decreasing debt which was based on the company stopping producing goods for sale by first utilizing existing inventory to maximize company income. And the results of the quick ratio research in 2021 are categorized as very healthy, even though the ratio decreased from the previous year, the cash ratio remains in a very healthy condition because the cash at the end of the year was found to have sufficient value to finance the company's debt.

Investors can see a company's ability to pay short-term debt by using the liquidity ratio. The liquidity ratio is a ratio that shows the company's ability to pay off its short-term debt. This research uses the Current Ratio and quick ratio. The current ratio is a tool for measuring liquidity ratios, namely the company's ability to pay short-term debt using the current assets it owns. Quick ratio is a ratio that reflects the company's ability to pay off current liabilities or short-term debt using the company's most liquid assets.

The Covid-19 pandemic puts pressure on companies to continue to survive in difficulties. Various efforts to overcome the spread of Covid-19 have disrupted company operations while reducing the purchasing power of society in general. The uncertainty of when this pandemic will end has pushed management to try hard to manage its resources and set expenditure priorities to be able to survive until the pandemic ends.

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This affects the company's ability to pay its obligations to creditors because a lot of funds must be allocated to continue the company's operations amidst falling sales.

**3.2 Differences in Liquidity Ratios Before and During the Covid-19 Pandemic**

The decline in people's income due to the Covid-19 pandemic has resulted in a decline in people's purchasing power so that sales activity in the industrial sector has decreased. A decrease in sales at the company will have an impact on a decrease in profit income and cash inflow, this will help increase current assets. The components of current assets that are affected by sales are cash generated from sales and trade receivables, when current assets experience significant changes, this will affect the current ratio value. Thus, the Covid-19 pandemic does not have much of an impact on liquidity ratios because companies still have to fulfill their short-term obligations and pay off current liabilities or short-term debt using the company's most liquid assets.

**Conclusion**

PT Selamat Sempurna Tbk, over the last few years, has shown strong financial performance in terms of liquidity ratios. Despite experiencing fluctuations, the company managed to maintain and even increase the current ratio and quick ratio. The research results show that in 2019 and 2020, the liquidity ratio was categorized as very healthy, with significant sales growth making a positive contribution. Even during the Covid-19 pandemic, the company managed to maintain financial stability with careful policies in the use of cash and inventory. However, keep in mind that in 2021, there will be an increase in company debt, which needs to be managed carefully to ensure the company's financial sustainability going forward.

**Suggestion**

PT Selamat Sempurna Tbk can closely monitor the increase in debt that will occur in 2021, with a focus on external resource management, interest rates and debt repayment schedules. Income diversification needs to be considered to reduce the risk of dependence on a single source of income. Companies also need to continue to monitor and analyze liquidity ratios and maintain wise cash use policies, which have proven successful in 2020. In addition, long-term financial planning and understanding the risks and uncertainties in the business environment must be the company's focus.

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