



ACTIVITY RATIO ANALYSIS TO ASSESS THE FINANCIAL PERFORMANCE OF PT. INDUSTRI JAMU DAN FARMASI SIDOMUNCUL.TBK

Cut Rozana Sari¹, Irada Sinta², Zuriani³, Mohd. Heikal⁴, Rico Nur Ilham⁵

^{1,2,3}Faculty of Agriculture, Universitas Malikussaleh

^{4,5}Faculty of Economics and Business, Universitas Malikussaleh

Corresponding Email: cutrozanasari@unimal.ac.id

Abstract

Activity Ratio Analysis to Assess Financial Performance in the herbal medicine and pharmaceutical industry sidomuncul Tbk which is listed on the Indonesian Stock Exchange (BEI). Financial report analysis is needed by companies to assess company performance and compare the company's condition from the previous year. One of the ratios used in conducting analysis is the activity ratio. The activity ratio is useful for analyzing the use of existing resources and to support company activities. There are several types of activity ratios that are used as measuring tools to determine a company's ability to use its assets, namely total asset turnover, working capital turnover, fixed asset turnover, inventory turnover, and accounts receivable turnover. Based on the results of calculating the activity ratio at PT. Tbk's herbal medicine and pharmaceutical industry in 2021 to 2022 shows that this company experience significant change _ in performance his activities related investment in operational . However, the results achieved are still below industry standards, which shows that the company's performance is still not good compared to other similar industries. This needs to be a company's vigilance to always improve performance and have high competitiveness .

Keywords: *Company Performance, Activity Ratio, PT. Industri Jamu dan Farmasi Sidomuncul.Tbk*

Introduction

Every company has the goal of reducing losses and maximizing wealth as well as increasing the prosperity of owners and shareholders by increasing the value of the company. Company performance assessment is very necessary in maintaining the company's survival so that it can compete with other companies. Companies must have healthy and efficient financial performance in order to gain profits or profits . Financial reports report the activities carried out by the company in a certain period. So that financial reports can be obtained To provide broader and more in-depth information, it is necessary to analyze financial reports, one way is to use financial ratios . Sido Muncul (SIDO) is the largest and most modern herbal medicine producer in Indonesia with the largest market share in the traditional herbal product category. We have more than 300 types of products that are very familiar and close to Indonesian consumers. Repel the Wind and Nail Bima Ener-G! This is one of our superior products that has been known for decades. We are committed to developing in line with the principles of People, Earth and Profit to create a sustainable and responsible company.

Financial ratios are the activity of analyzing financial reports by comparing numbers, dividing one number by another number to obtain a relevant relationship between the numbers. This figure is to determine the company's stable financial condition so that the goal of maximizing shareholder prosperity can be achieved . Financial ratio analysis of financial reports will describe or produce a consideration of the good or bad condition or financial position of the company, and aims to determine how effective and efficient management policies are in managing the company's finances each year. The activity ratio is a ratio used to measure a company's effectiveness in using its assets. Or it could also be said that this ratio is used to measure the level of efficiency (effectiveness) in utilizing company resources. Efficiency is carried out, for example, in the areas of sales, inventory, receivables collection, and efficiency in other areas. The activity ratio is also used to assess the company's ability to carry out daily activities. From the results of measurements using the activity ratio, it will be seen whether the company is more efficient and effective in managing the assets it owns or perhaps the opposite is true.

From the results of this measurement, various things related to company activities will be known so that management can measure their performance so far. For example, the results obtained can show how long it takes to collect a receivable in a certain period. Then these results are compared with predetermined targets or compared with measurement results from several previous periods. Apart from that, this ratio is also used to measure the

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average days of inventory stored in the warehouse, working capital turnover, fixed asset turnover in one period, use of all activities for sales and other ratios. Thus, from the results of this measurement it is clear that the company's condition in this period able or not to achieve the specified targets. If they are unable to achieve the target, management must be able to look for the reasons for not achieving the predetermined target. Then look for the necessary improvement efforts. However, if it is able to achieve the predetermined target, it should be maintained or increased for the next period. The use of the activity ratio is by comparing the level of sales with investment in assets for one period. This means that it is hoped that there will be a balance as desired between sellers and assets such as inventory, receivables and other fixed assets. Then management to use and optimize the assets owned is the main objective of this ratio.

Overview theoretical

According to Fahmi (2018) financial performance is an analytical activity which aims to find out the extent to which a company has implemented financial implementation rules properly and correctly. Financial performance is an achievement or result obtained by company management while carrying out its duties and functions in managing company assets in a certain period. Financial performance aims to describe the company's ability to run its business and fulfill its obligations as well as the company's ability to gain profits. In assessing a company's financial performance, it is necessary to carry out a ratio analysis of the data available in the company's financial reports. According to Kasmir (2018) a financial report is a report that describes the company's current financial condition or in a certain period. Financial reports can also be interpreted as the result of the accounting process which contains company financial data for a certain period, where this data can be used to communicate with parties outside and within the company who have an interest in the company.

The activity ratio is a ratio used to measure and assess a company's ability to use its assets or utilize the resources it has in the areas of sales, receivables collection, and other areas. Type The types of activity ratios based on decisions are divided into three. First, collection periods, namely receivables turnover is a ratio that measures how long it takes to collect receivables during one period or how many times the funds invested in receivables are turned over in one period (Kasmir, 2018). This ratio describes how effective the company is in collecting receivables. The shorter the period obtained, the better. Second, inventory turnover, is a ratio that is useful for measuring how many times the funds invested in inventory are turned over in one year (Kasmir, 2018). The faster the inventory turnover, the better. This shows that inventory sales are getting faster, which means that liquid will quickly become cash. Lastly, total assets turnover (ATO), which is the ratio used to calculate the overall turnover of assets in the company and measure the amount of sales obtained from each rupiah of assets (Kasmir, 2018). If this ratio is greater, it will be better for the company because it shows that the company is able to generate more sales .

Research methods

Research variable

The type of research used in this research is quantitative research, namely carrying out data analysis using formula numbers and systematic models that can be obtained from financial reports such as balance sheets and profit and loss. Quantitative research can also be interpreted as a method that tests certain theories by examining the relationships between the variables to be studied. The data source used in this research is secondary data, namely data obtained from PT's annual financial report data. Herbal medicine and pharmaceutical industry sidomuncul Tbk period 20 21 -202 2 . The population in this research is the financial statements of PT. Herbal medicine and pharmaceutical industry sidomuncul Tbk period 20 21 - 202 2. Meanwhile the sample in the research is the balance sheet and profit and loss report of PT . Herbal medicine and pharmaceutical industry sidomuncul Tbk .

Data analysis technique

The analytical method in this research is descriptive analysis. According to Sugiyono (2017) descriptive analysis is used to find out and analyze data by describing the data that has been collected properly without intending to make conclusions that apply to the general public. In analyzing the financial performance of PT financial report data. Herbal medicine and pharmaceutical industry sidomuncul Tbk that has been obtained, the company's financial performance can be measured using activity ratios in accordance with established standards . There are two steps taken to analyze the data. First, collect data on the company's financial reports to be studied,



namely in the form of PT's balance sheet and profit and loss report. Herbal medicine and pharmaceutical industry sidomuncul Tbk . Second, calculate activity ratios based on predetermined standards which consist of three ratios, that's it inventory turnover, turnover receivables (receivable turn over) and turnover assets (assets turn over).

Results and Discussion

Based on financial report data, the activity ratio analysis at PT Sidomuncul herbal medicine and pharmaceutical industry in 2022 is as follows:

Year	ITO	RTOs	ATO
2021	0.759 times	1,194 times	194.99 times
2022	71.85 times	1.47 times	0.205 times

- Inventory turnover

Inventory turn over measures how effectively a company manages inventory.

Formula:

$$\text{Inventory turnover} = \frac{\text{harga pokok penjualan}}{\text{persediaan}}$$

$$= \frac{398.670}{554.819} = 71.85$$

$$\text{Inventory turnover in days} = \frac{365}{\text{perputaran persediaan}}$$

$$= \frac{365}{71,85} = 5,080$$

$$= \frac{\text{persediaan} \times 365}{\text{HPP}}$$

$$= \frac{554.819 \times 365}{398.670} = 508,216$$

- Receivable Turn Over

Receivable turn over measures how quickly trade receivables have turned over (into cash) during that period/year.

Formula :

$$\text{Receivable turnover} = \frac{\text{penjualan kredit}}{\text{piutang}}$$

$$= \frac{880.493.000}{598.605.011}$$

$$= 1.47$$

$$\text{Receivable turnover in days} = \frac{365}{\text{perputaran piutang}}$$

$$= \frac{365}{1,47}$$

$$= 248.29$$

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$$= \frac{598.605.011 \times 365}{880.493.000}$$

$$= 248.14$$

- **Assets Turn Over**

Assets turnover measures the ability of assets to create/generate sales.

Formula :

$$\text{Asset turnover} = \frac{\text{penjualan bersih}}{\text{total aset}}$$

$$= \frac{880.493.000}{4.289.633.000}$$

$$= 0.205$$

In calculating the R activity ratio for ITO , This company experienced significant changes in the performance of its activities related to investment in operations (ITO). The ITO activity ratio jumped markedly from 0.759 times in 2021 to 71.85 in 2022. This increase may reflect strategic changes or large investments made by the company in using its assets to support operational activities. Further analysis is needed to understand the specific factors underlying these dramatic changes in activity ratios.

On Calculation Ratio activity For RTO, At this Company show enhancement in ratio Return to Operations (RTO) activity from 1.194 times in 2021 to 1.47 times in 2022. Increase This indicated repair efficiency company in manage operations and optimization use asset For reach more results _ Good . Analysis more carry on can give outlook about steps specific ones that have been taken by the company For reach growth This in ratio RTO activities .

On Calculation Ratio Activity For ATO, At this Company experience drastic decline _ in ratio Account Turnover (ATO) activity from 194.99 times in 2021 to 0.205 times in 2022. Significant changes This Possible indicated change strategic or challenge operations faced _ company . Analysis deep required For understand factors specific cause _ this dramatic shift in performance ATO activity and potential impact to operations and health financial company .

Conclusion

Based on the results of data analysis and discussion of PT's financial reports. Herbal medicine and pharmaceutical industry sidomuncul Tbk 2021 -2022. To measure the company's financial performance based on the activity ratio, it can be concluded that the company's financial performance based on the inventory turnover ratio, also obtained results that are in accordance with PT standards , this shows that the company 's operations are effective because the existing inventory can be immediately utilized for generate company business income. Meanwhile, for the receivable turn over ratio, the score obtained by the company is still below because the results of calculating the receivable turn over ratio for the period 20 21-2022 are at 1.194, < 1.47 . This shows that the company experienced an increase in turnover receivables . In rotation assets The score obtained by the Company was 194.99 > 0.205 p This show that the Company is experiencing drastic decline in ratio activity .

Thus, it can be concluded that financial performance PT finance. Herbal medicine and pharmaceutical industry sidomuncul Tbk 2021 -2022 if assessed using the activity ratio with the Decree standard said to be not good. So it would be better for the company, in this case the finances of PT. Herbal medicine and pharmaceutical industry sidomuncul Tbk 2021-2022 , it is necessary to be more optimal in managing its assets in order to be able to increase the company's income and the company's financial performance .



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