

Analysis of Financial Ratios in The Health Service Industry Listed on The Indonesia Stock Exchange Before and During The Covid-19 Pandemic

Rima Melati¹, Nadya Novianty¹, Yuliarti Rezeki¹

¹ Universitas Sari Mulia, Banjarmasin, Indonesia

*rimamelati842@mail.com

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ABSTRACT

The Covid-19 pandemic has had an impact on the health and economy of Indonesia. Many companies are experiencing financial difficulties. These financial difficulties can be done early prevention by analyzing financial reports and evaluating financial performance. Research purposes to find out the financial performance of the health service industry listed on the Indonesian Stock Exchange before and during the Covid-19 pandemic. This study used a quantitative method with a total sample of 7 companies with a purposive sampling technique and the results of the financial ratio for total asset turnover before 0.545 and during the pandemic were 0.57, the results for the current ratio before 2.77 and during the pandemic were 2.32, the results for the debt to asset ratio before 0.28 and during the pandemic were 0.31 and the return on investment before 0.033 and during the pandemic 0.68. The company's financial performance has improved from before the covid-19 to the time of the covid-19 pandemic.

INTRODUCTION

The covid-19 pandemic caused there are various impacts, both from the health side and the Indonesian economy. Many companies experienced losses and went bankrupt during the covid-19 pandemic (Amallia et al., 2021), and in the economic sector when the Jakarta Composite Index fell by 21,13% compared to the end of the previous year accompanied by all property and real sectoral indices estate which experienced the largest decline during 2020, namely 36,09% [1], but this is suspected not to have companies engaged in the health service industry such as hospitals and other health service providers.

Financial ratios are a company's financial analysis tool that is used to evaluate a company's financial performance based on the analysis of financial data contained in financial report items [2]. Financial performance is part of the company's business and can be used to measure the company's success in obtaining profits, so that it can see the prospects, growth, and potential of the company itself, and is confident that it will [3]

Financial ratios are an analysis to identify the relationship between certain items in the balance sheet or income statement individually or a combination of the two reports. Financial ratios are divided into four, namely Liquidity Ratio, Solvency Ratio, Activity Ratio, and Profitability Ratio [4]

This research is important because it is to compare and analyzes financial performance before and during the pandemic. Researchers are interested in choosing the health service industry because the health service industry is a health service in the form of a hospital which plays a very important role during the Covid-19 pandemic in Indonesia.

This research was conducted to analyze financial ratios before and during the pandemic in the health industry in Indonesia. This research is focused on the health industry in Indonesia because researchers want to know the analysis of financial ratios before and during the Covid-19 pandemic.

LITERATURE REVIEW

Financial Performance

Financial performance is an analysis that can be used to assess the extent to which a company has implemented its financial regulations properly and accurately, to be able to compete well with companies in the same field, companies need to measure financial performance [5]. In a certain period, the company can perform financial performance analysis which is one of the processes of critical measurement of financial data owned by a company.

Financial Statements

The financial report is the result of a recording process which is a summary of the financial transactions that occurred during the relevant financial year. The definition of financial reports according to Financial Accounting Standards is that financial reports are part of the financial reporting process. Complete financial reports usually include balance sheets, and reports on changes in financial position (which can be presented in various ways, such as cash flow reports or fund flow reports), notes also include schedules and additional information related to these reports [6].

Financial Ratio Analysis

Financial performance can be measured using financial ratio analysis, financial ratio analysis is an activity to compare numbers in financial reports, comparisons can be or between components that exist in financial reports [7].

Financial Ratios are divided into four, namely:

1) Activity Ratio

The activity ratio is used to measure the efficiency level of the company's resource utilization, or it can also assess the company's ability to carry out its daily activities.

2) Liquidity Ratio

The liquidity ratio is an indicator that determines a company's ability to meet its short-term obligations.

3) Solvability Ratio

The solvency ratio is the ratio used to measure how well a company's assets meet its obligations, meaning the amount of debt the company uses to finance its operations.

4) Profitability Ratios

The profitability ratio is a ratio to assess a company's ability to seek profit or profit in a certain period.

MATERIALS AND METHODS

Data Types and Sources

This study uses secondary data obtained from accessing the official website of the Indonesia Stock Exchange (IDX) in the form of the company's annual financial report, and data source for this research is the Indonesia Stock Exchange Website (www.idx.co.id).

Population and Sample

The population raised in this study is the health service industry listed on the Indonesia Stock Exchange (IDX).

The following is a list of the population in this study:

Table 1.1 List of population

No	Stock Code	Industrial Name	IPO Date
1	BMHS	Bundamedik Tbk.	6 July 2021
2	CARE	Metro Healthcare Indonesia Tbk.	13 March 2020

3	DGNS	Diagnos Laboratorium Utama Tbk.	15 January 2021
4	HEAL	Medikaloka Hermina Tbk.	16 Mei 2018
5	MIKA	Mitra Keluarga Karya Sehat Tbk.	24 March 2018
6	MTMH	Murni Sadar Tbk.	20 April 2022
7	PRDA	Prodia Widyahusada Tbk.	07 December 2016
8	PRIM	Royal Prima Tbk.	15 May 2018
9	RSGK	Kedoya Adyaraja Tbk.	08 September 2021
10	SAME	Sarana Meditama Metropolitan Tbk.	11 January 2013
11	SILO	Siloam International Hospital Tbk.	12 September 2013
12	SRAJ	Sejahtera Anugrah Jaya Tbk.	11 April 2011

Source: IDX IC 20 April 2022

Sampling was done by the purposive sampling method. Purposive sampling is a sample selection method based on certain criteria [8].

Some of the criteria set by the researcher, namely:

1. Inclusion criteria
 - The company that became the research sample is the health service industry.
 - Companies listed on the Indonesia Stock Exchange (IDX) in the 2018-2021 research period.
 - Companies that have financial reports for 2018-2021.
 - Companies that submit complete financial report data for the 2018-2021 period on the Indonesia Stock Exchange (IDX) related to financial ratios as measured using activity ratios, liquidity ratios, solvency ratios, and profitability ratios.
2. Exclusion criteria
 - Companies that are not in the health service industry
 - Companies that are not listed on the Indonesia Stock Exchange (IDX) for the 2018 - 2021 study period.
 - Companies that do not have annual financial reports for the 2018-2021 period.
 - Companies that do not submit complete financial report data for the 2018-2021 period on the Indonesia Stock Exchange (IDX) are related to financial ratios as measured using activity ratios, liquidity ratios, solvency ratios, and profitability ratios.

Based on the criteria set out above, the research samples obtained according to the criteria specified above are the following 7 health sectors:

Table 1.2 List of Samples

No	Stock Code	Industrial Name
1	HEAL	Medikaloka Hermina Tbk.
2	MIKA	Mitra Keluarga Karya Sehat Tbk.
3	PRDA	Prrodia Widyahusada Tbk.
4	PRIM	Royal Prima Tbk.
5	SAME	Sarana Meditama Metropolitan Tbk.
6	SILO	Siloam International Hospital Tbk.
7	SRAJ	Sejahtera Anugrah Jaya Tbk.

Source: IDX IC 20 April 2022

DATA COLLECTION TECHNIQUE

In this research, data collection techniques were carried out using documentation techniques. The documentation method in this research was carried out by collecting secondary data published by the government, namely from the Indonesia Stock Exchange in the form of annual reports and financial reports of the health service industry contained (www.idx.co.id, n.d.) statistics for 2018-2021.

DATA ANALYSIS TECHNIQUE

The author uses financial ratio data analysis techniques, namely Activity, Liquidity, Solvency, and Profitability.

1. Activity Ratio

The formula used is:

Total Asset Turn Over (TATO) = Sales /

2. Liquidity Ratio

The Formula used is:

Current Ratio (CR) = Current Assets / Current Liabilities

3. Solvency Ratio

The formula used is:

Debt To Asset Ratio (DAR) = Total Debt / Total Assets

4. Profitability Ratio

The formula used is:

Return On Investment (ROI) = Earning After Interest and Tax / Total Assets

RESULTS AND DISCUSSION

The author analyzes the financial data of the Healthcare Industry using financial ratios, including activity, liquidity, solvency, and profitability ratios.

1. Activity Ratio (TATO)

The results of calculating Total Asset Turn Over are shown in the following table:

Table 1.3: Calculation result of Total Asset Turn Over 2018-2021

Industry Name	Calculation Result of TATO			
	2018	2019	2020	2021
HEAL	0.73	0.72	0.38	0.77
MIKA	0.53	0.58	0.54	0.63
PRDA	0.83	0.87	0.84	0.98
PRIM	0.22	0.19	0.27	0.53
SAME	0.38	0.24	0.27	0.26
SILO	0.78	0.91	0.84	1.01
Industry Average	0,56			
Average Before and During the Pandemic	0,54		0,57	

2. Liquidity Ratio (CR)

The results of calculating the Current Ratio are shown in the following table:

Table 1.4: Calculation result of Current Ratio 2018-2021

Industry Name	Calculation Result of CR			
	2018	2019	2020	2021
HEAL	118,13%	159,38%	17,06%	152,48%
MIKA	775,16%	574,62%	545,99%	407,05%
PRDA	731,72%	873,78%	647,15%	657,86%

PRIM	115,92%	138,88%	261,20%	280,07%
SAME	351,87%	51,49%	44,79%	259,40%
SILO	10,22%	6,13%	8,78%	14,10%
Industry Average	254,58%			
Average Before and During the Pandemic	277,44%		231,71%	

3. Solvency Ratio (DAR)

The results of calculating Debt to Asset Ratio are shown in the following table:

Table 1.5: Calculation result of Debt to Asset Ratio 2018-2021

Industry Name	Calculation Result of DAR			
	2018	2019	2020	2021
HEAL	43,19%	45,23%	46,78%	42,18%
MIKA	12,57%	14,05%	13,42%	13,64%
PRDA	19,07%	17,47%	19,88%	17,15%
PRIM	6,95%	6,62%	6,41%	14,77%
SAME	47,57%	56,22%	71,11%	10,37%
SILO	17,91%	22,66%	28,59%	29,88%
SRAJ	32,72%	42,87%	59,63%	60,44%
Industry Average	29,26			
Average Before and During the Pandemic	27,51%		31,02%	

4. Profitability Ratio (ROI)

The results of calculating Return on Investment are shown in the following table:

Table 1.6: Calculation result of Return on Investment 2018-2021

Industry Name	Calculation Result of ROI			
	2018	2019	2020	2021
HEAL	4,58%	6,81%	10,16%	17,13%
MIKA	12,94%	14,19%	14,49%	19,84%
PRDA	9,09%	10,46%	12,04%	22,87%
PRIM	1,90%	0,24%	4,01%	6,67%
SAME	2,33%	-5,12%	-23,79%	0,00%
SILO	0,34%	-4,30%	1,49%	7,53%
SRAJ	-3,49%	-2,44%	-0,33%	3,40%
Industry Average	5,11%			
Average Before and During the Pandemic	3,39%		6,82%	

The results of the data analysis above show that the average TATO has increased by 0.03 during a pandemic, the average CR has decreased by 45.73% during a pandemic, the average DAR has increased by 3.51% and the average ROI has increased by 3.43, and The results of TATO financial ratio analysis with the highest average in PRDA and SILO and the lowest average in SAME, the highest average CR calculation results in PRDA and the lowest average is SRAJ, the highest average DAR calculation results are in SRAJ and the highest average is -The lowest average is PRIM, and the highest average ROI calculation results are in MIKA and the lowest average is SAME, a company that is below the industry average, then the company is operating poorly [9]

CONCLUSION

The results of calculating financial ratios as measured using Total Asset Turn Over (TATO), Debt To Asset Ratio (DAR), and Return On Investment (ROI) show that there was an increase during the pandemic while the current ratio (CR) decreased during the pandemic.

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