

Comparative Analysis of Financial Performance Before and After Covid-19 Pandemic Evidence In Indonesia

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Abstract. This study aims to test whether there are differences in liquidity, profitability, leverage, and market ratios from the impact of during and after the covid-19 pandemic. The sample in this study consisted of 60 observations from 30 manufacturing sector companies listed on the Indonesia Stock Exchange in 2020 and 2021. The manufacturing sector was used as the object of the research because manufacturing sector companies are engaged in the real sector where there are various types of businesses in the sector compared to other sectors. Testing in this study used the Wilcoxon rank test. The results show that there are differences in the average values of the leverage variables during and after the covid-19 pandemic. While the liquidity, profitability and market ratios have no difference in the average values during and after the covid-19 pandemic. The results show that during the COVID-19 pandemic, manufacturing companies experienced a decline in the quality of company asset management, so that it had an impact on the company's condition in fulfilling company obligations, although manufacturing companies were still able to make profits even though they experienced a decline.

Keywords : Liquidity, profitability, leverage, market ratio

1. INTRODUCTION

Policies to prevent the spread of the Covid-19 virus have an impact on the Indonesian economy and even the world. This can be seen from the decline in production activities in various countries, the decline in people's power, the decrease in the level of consumer confidence, the crisis on the stock market which ultimately led to uncertainty. Companies are required to respond and adapt quickly so they can survive and compete during a pandemic and post-pandemic. Companies must be able to manage their management to win the competition during a pandemic which is all competitive with many rules that affect purchasing power so that they can survive to develop and grow according to company goals. Manufacturing companies are one of the sectors affected by the Covid19 pandemic. Preliminary observations of financial data on manufacturing companies listed on the IDX are presented in Table 1 below:

Table 1. Financial Conditions of Manufacturing Companies in 2019-2022 (in billion)

YEAR	2019	2020	2021	2022
Total Current Ratio	24,652.9	24,529.5	142,564.75	29,633.7
Total Net Profit	4,254.8	4,673.7	3,837.4	3505.6
Total Assets	221,780.2	52,905.2	54,323.41	58,269.12
Average Share Value Per Share	128	131	122	125

Based on Table 1 above, it can be seen that there were fluctuations in the condition of the current ratio, share value, and total assets and there was a decrease in net profit for manufacturing companies in the 2019-2022 period.

The Coordinating Ministry for Economic Affairs of the Republic of Indonesia which is published on the official website of the Coordinating Ministry of the Republic of Indonesia (Moegiarsa, 2022) for 2022, the manufacturing industry can make the highest contribution to the national export value, namely with an amount of USD 156,165.1 million or the equivalent of 71.20%. This makes the Indonesian Manufacturing Industry continue to experience an increase in manufacturing activities. Indonesia's Manufacturing Purchasing Managers' Index (PMI) could reach 53.7 in September 2022, or up from 51.7 in August 2022. In fact, Indonesia's PMI for September 2022 was recorded higher than the average ASEAN countries. was in position 53.5. The Coordinating Minister for the Economy, Airlangga Hartarto said, "Indonesia's PMI is still in solid growth and continues to expand. This shows consistent improvement in the Indonesian manufacturing industry sector, at least in the last few months and has also accelerated post-pandemic national economic recovery."

Based on the description of the background of the problem, researchers are interested in conducting research on the performance of companies in the manufacturing sector in the food and beverage industry in terms of liquidity ratios, solvency and profitability and market value ratios.

2. LITERATURE REVIEW

2.1 Company Financial Performance

Good and bad financial conditions in a company can be seen from the company's performance. Because the company's financial performance reflects the performance of the company's management in a certain period (Mu'afa As'Ad Dharmawan, 2020) . One of the methods used to assess a company's performance is to analyze the company's financial statements because this relates to aspects of raising funds and channeling funds which are usually measured from the availability of capital, liquidity and profitability. The ratio generated by the financial statements is a picture of the value of the company. These financial ratios are usually used as material for consideration, especially for investors to analyze the company, whether the company can generate profits or even create bankruptcy, so this financial ratio is used to explain the condition of the company from the condition of its financial position.

Analysis of financial ratios explains financial changes and also achievements that have occurred in the past and also explains various financial indicators, opportunities that can be obtained by companies in the future (Rachmi Wulandari Ardyansyah, Titi Aslah, 2019) . James C Van Horne, a financial ratio is a parameter that connects 2 (two) accounting numbers and is obtained by dividing 1 (one) number by another number (Mujiyani, 2019) .

To be able to assess whether the performance of a company is good or not, financial ratio analysis is needed. Financial ratio analysis can be grouped into several types, namely: liquidity ratios, profitability ratios, leverage ratios and market value ratios.

The Liquidity Ratio is a useful ratio for assessing a company's ability to pay its short-term obligations at maturity, which can be in the form of short-term debt. If the company is able to meet short-term obligations when they are due, it can be called a liquid company, and vice versa (Winarni & Novitasari, 2022) .

Profitability ratio is the ratio used to assess how a company's ability to generate profits. This ratio can also be used to measure the effectiveness and efficiency of a company's management system. The use of profitability ratios using a comparison of the balance sheet and income statement. Profitability ratios can also be used to see the development of a company in a certain period, both in terms of increases and decreases and the causes of these changes

The Solvency/Leverage Ratio is a financial ratio analysis of a description of a company's ability to meet long-term needs, for example in terms of using debt for the company's spending needs. And can be used to determine the extent to which sources of use of company assets and debts are covered from assets. As well as being able to

calculate the comparison of company owner funds that have been provided and funds from a company's credit (Lubis, 2019) .

Market Value Ratio is the ratio used to find out how conditions occur in the market. This ratio is also often used to see how the conditions for obtaining potential profits from a company (Hardiani et al., 2021) . This market value ratio is also the ratio that connects stock earnings to book earnings per share. The market value ratio is useful to provide a guide for investors to be able to make investment decisions that are seen from how the company's performance was in the past and how the prospects are in the future.

2.2 Prior Research

Previous research conducted by (Perwitasari & Soenarso, 2021) in a journal entitled "Comparative Analysis of the Financial Performance of Pt Indofood Cbp Sukses Makmur Tbk Before and After the Covid-19 Pandemic" contained many companies that were negatively affected by the pandemic, but there were also companies who succeeded in obtaining positive profits or profits, one of these companies, namely PT. Indofood CBP Sukses Prosperous. Net sales obtained by PT Indofood CBP Sukses Makmur in 2020 were recorded at IDR 46.64 trillion in 2020, higher than net sales in 2019, which was IDR 42.30 trillion. As a result of the increased sales, ICBP's operating profit increased by 24% to Rp 9.20 trillion from Rp 7.40 trillion.

The results of the previous study entitled Analysis of Company Financial Performance Before the Pandemic and During the Covid-19 Pandemic had been carried out by (Jati & Jannah, 2022) so from the results of this study obtained research results which explained that there were differences in the company's liquidity ratio before and during the covid-19 pandemic 19 in Manufacturing companies listed on the IDX. No differences were found in terms of company profitability before and during the Covid-19 outbreak in Manufacturing companies in Indonesia. However, there are differences in terms of company leverage before and during Covid-19 in manufacturing companies in Indonesia. And no difference was found in the market value of the company.

Research on Financial Performance Analysis Before and During the Pandemic in Manufacturing Companies in the Consumer Goods Sector listed on the Indonesia Stock Exchange conducted by (Winarni & Novitasari, 2022) explains that Liquidity had significant differences before and during the Covid-19 pandemic in calculating the Cash Ratio, whereas in the calculations for the Current Ratio there is no difference before and during the Covid-19 pandemic. This is because the majority of the results of the Current Ratio and Cash Ratio have differences, so it can be concluded that there are differences in the liquidity ratio before and during the Covid-19 pandemic.

Previous research conducted by (Njauwman, 2021) entitled Analysis of the Financial Performance of Manufacturing Companies Listed on the Indonesia Stock Exchange Before and During a Pandemic. This research shows that there are significant differences in profitability performance in the form of return on investment and activity performance in the form of total assets turn over. So it can be concluded that the company's management was not able to optimize the use of assets during a pandemic effectively and efficiently which resulted in a decrease in sales levels. And the consequences of this decline in sales eventually impacted the company's net profit significantly.

Research related to Comparative Analysis of Financial Performance Before and During the Covid-19 Pandemic in Manufacturing Companies (Food and Beverage Sector) Listed on the IDX was studied by (Devia & Sapariyah, 2022) that found no significant differences before and during the Covid-19 pandemic. Profitability ratios are useful in calculating the amount of profits earned by business entities in one period. There was an increase in people's purchasing power during the Covid-19 outbreak which had an impact on company profits where profits increased compared to before the Covid-19 outbreak due to technological sophistication that could make a food and beverage sales system online, so that in conditions during the Covid-19 outbreak does not become a barrier for companies to attract people's purchasing power.

In a previous study entitled Analysis of Financial Statements in Measuring Financial Performance Before and During the Covid-19 Pandemic Using the Ratio Method in the Food and Beverage Industry Sector on the IDX was carried out by (Nursiana et al., 2022) based on the Solvency ratio there was no significant difference significantly between before and during the Covid 19 pandemic.

The results of Mohammad's 2019 study, "Analysis of Liquidity, Profitability and Activities to Measure Company Performance at PT. Mayora Indah Tbk," show that the company has experienced significant growth over the past three years, namely in 2015, 2016, 2017. Liquidity, which consists of Current Ratio and Quick Ratio, calculated in favorable circumstances. Profitability Ratio, consisting of Net Profit Margin, Return on Assets and Return on Equity, is determined by a lot of positive evidence. And the last is the Activity Ratio of Working Capital Turn Over, Total Assets Turn Over, Receivable Turn Over and Fixed Asset Turn Over and all of these are positive (Herawati Hasugian, Riri Swita Manik, 2022) .

However, this research conducted by Mohammad only focuses on financial statements based on financial ratios for 2015, 2016 and 2017 only. For this reason, researchers want to examine further based on financial ratios and market ratios to provide more detailed information about the company's performance at PT. Mayora Indah Tbk Post the Covid-19 Pandemic, namely in 2019-2022, which later can be used as an evaluation for the company or investors in making decisions which can be seen from the state of the company's financial position whether the company is able to manage all of its assets to generate profits.

3. RESEARCH METHODS

This study uses a quantitative approach. Researchers conducted research on the Indonesia Stock Exchange (IDX) through the official website (<http://web.idx.id>) on 30 manufacturing companies in Indonesia engaged in the food and beverage industry. By using 2 years of annual financial reports, namely during the 2020 pandemic and after the 2021 pandemic. Researchers will analyze differences in the performance of manufacturing companies for three conditions, namely 1) company performance during the pandemic (2020), and 2) company performance after the cancellation pandemic status (2021). Quantitative data is a research method that is based on positivistic (concrete data), research data is in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion. Sugiyono (2018;13)

Statistical Test Data processing and analysis in this study used statistical analysis techniques t test or different test (t test). t-test is a type of statistical test used to test the significance and relevance of one or two sample groups. t test is used for hypothesis testing. Testing using the t test is classified as a comparative (comparative) test whose purpose is to compare whether the averages of the two groups tested are significantly different or not. The significance test used can be described as follows:

If significance > 0.05 then H0 is accepted

If significance < 0.05 then H0 is rejected

The data analysis method used in this study is a quantitative analysis method. Quantitative descriptive, namely a method that explains or analyzes a problem from a data based on calculating the numbers from the research results. In this case it is done by analyzing financial report data. Comparing data and interpreting data in the form of numbers, using financial ratio analysis as a measuring tool. The financial ratios used to measure company performance are the Liquidity ratio, Profitability ratio, Solvency/Leverage ratio and Market Value ratio.

Table 2. Financial Ratio Analysis Formulas

NO.	FINANCIAL RATIOS	MEASUREMENT VARIABLES	
1	Liquidity	Current Ratio	$\frac{\text{Current Ratio}}{\text{Current Liabilities}}$
2	Profitability	ROA	$\frac{\text{Net profit}}{\text{Total Assets}}$
3	leverage	DER	$\frac{\text{Total Debt}}{\text{Shareholder's Equity}}$
4	Market Ratio	EPS	$\frac{\text{Share Value Per Share}}{\text{Revenue Per Share}}$

4. RESULTS AND DISCUSSION

The population in this study are all manufacturing companies listed on the IDX in 2020 and 2021. The sample that can be used in this study is 30 companies.

Normality test

The results of the Kolmogorov-Smirnov normality test show that the three variables of liquidity, profitability, leverage and market ratios have data distribution that is not normal and is characterized by an asymp acquisition. Sign 2 tailed is 0.00 which is smaller than 0.005. So it can be concluded that the distribution of data in the sample group is not normal. According to Bramantoro, Alhaq & Prasetyo , 2020 in (Hilman & Laturette, 2021) all data is not normally distributed so a different test is used using a nonparametric method, namely the Wilcoxon test.

Table 3: Normality Test Results

		Unstandardized Residuals
N		30
Normal Parameters ^{a,b}	Means	.0000000
	std. Deviation	2813.06556563
Most Extreme Differences	absolute	.251
	Positive	.251
	Negative	-.158
Test Statistics		.251
asympt. Sig. (2-tailed)		.000 ^c

Difference Test (Wilcoxon Signed Rank Test)

Based on the results of the rank test and significance it was found that:

There were 19 manufacturing companies that experienced an increase in their liquidity value after the Covid 19 pandemic, on the other hand 11 companies experienced a decline. The significance value is at 0.328, which is smaller than the 0.05 significance level. So it can be concluded that there is no significant difference in the financial performance of manufacturing companies during and after the pandemic based on the liquidity ratio.

In terms of profitability, there were 18 companies that experienced an increase, 9 experienced a decrease, while the remaining 3 had the same profitability ratios during and after the pandemic. The significance value is at 0.347, which is smaller than the 0.05 significance level. So it can be concluded that there is no significant difference in the financial performance of manufacturing companies during and after the pandemic based on profitability ratios.

Manufacturing company leverage increased by 15 companies and 14 companies experienced a decrease, the remaining 1 had the same leverage ratio during and after the pandemic. The significance value is at 0.880, which is greater than the 0.05 significance level. So it can be concluded that there are significant differences in the financial performance of manufacturing companies during and after the pandemic based on the leverage ratio.

The market ratio of post-pandemic manufacturing companies has increased in 9 companies, and decreased in 9 companies, the remaining 2 have the same market ratio value during and after the pandemic. The significance value is at 0.412, which is smaller than the 0.05 significance level. So it can be concluded that there is no significant difference in the financial performance of manufacturing companies during and after the pandemic based on market ratio values.

Table 4: Wilcoxon Test Results

		N	MeanRanking	Sum of Ranks
liq_21 - liq_20	Negative Ranks	19 ^a -	14.74	280.00
	Positive Ranks	11 ^b	16.82	185.00
	ties	0 ^c		
	Total	30		
prof_21 - prof_20	Negative Ranks	9 ^d	16.67	150.00
	Positive Ranks	18 ^e	12.67	228.00
	ties	3 ^f		
	Total	30		
lav_21 - lav_20	Negative Ranks	14 ^g -	15.04	210.50
	Positive Ranks	15 ^h -	14.97	224.50
	ties	1 ⁱ		
	Total	30		
ratio_21 - ratio_20	Negative Ranks	19 ^h	12.58	239.00
	Positive Ranks	9 ^k -	18.56	167.00
	ties	2 ^l		
	Total	30		

Table 5 Statistical Test Results

	liq_21 - liq_20	prof_21 - prof_20	lav_21 - lav_20	ratio_21 - ratio_20
Z	-.977 ^b -	-.940 ^c	-.151 ^c -	-.820 ^b -
asympt. Sig. (2-tailed)	.328	.347	.880	.412

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

c. Based on negative ranks.

CONCLUSION

Based on the results of the research that has been carried out, the results of the study are obtained which explain that there is no difference in company liquidity before and during the Covid-19 pandemic in Manufacturing companies listed on the IDX. There is no difference in company profitability before and during Covid-19 in Manufacturing companies in Indonesia. There are differences in company *leverage* before and during Covid-19 for manufacturing companies in Indonesia. There is no difference in the

company's market value during and after the co-19 pandemic for manufacturing companies in Indonesia.

This study formulates several research implications that information in the form of financial performance presented by companies can provide signals to company stakeholders that can be used as decision making. While the practical implications that can be presented in this study are that for management it can be used as a reference to describe the state of the company's financial performance and look for strategies to improve this financial performance, and become information for investors to make judgments in making decisions.

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