

Analysis of Company Financial Performance Perum Jasa Tirta

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ABSTRACT

The purpose of this study is to determine the financial performance of Perum Jasa Tirta I Malang-East Java for the period 2009-2018. This type of research used in this study is a description and the method used to measure financial performance is one of the methods of financial statement analysis. The financial statement analysis method involves several financial ratios namely liquidity ratios, leverage, activity and profitability and is measured based quantitatively data. The results showed that: Information on financial performance is needed in maintaining the company's existence; this is evident from the results Financial performance of Perum Jasa Tirta I, as seen from profitability ratios and leverage ratios, showed excellent performance even though profitability ratios and activity ratios are known to be in poor condition.

Keywords: BUMN, Financial Performance, Financial Ratios, Financial Soundness Level

INTRODUCTION

The launching of the Republic of Indonesia's government program in supporting national security through water security, food security, and energy security programs, provides investment opportunities for State-Owned Enterprises (SOEs) managing water resources. Jasa Tirta I Public Corporation (Perum), as one of the SOEs managing water resources, optimizes its potential, improves performance and competitive advantages for business development, financing, enhancing company image, and corporate value to support the government program. To fulfill this, healthy conditions are needed in maintaining and increasing the loyalty and trust of parties associated with the company (stakeholders) that are reflected through the company's performance. The performance of a healthy BUMN company can push the company towards increasing efficiency and competitiveness (Wibisana & Damayanti, 2016). Measuring the company's financial performance is not enough just to look at the company's financial statements (Vimrová, 2015). The company's financial statements are processed with trend analysis and financial ratios to find out more about the company's financial situation so that the results of the analysis can be an information for the company's management in making decisions for the steps to be taken. According to (Pohan, 2017), an analysis of financial statements is carried out to achieve several objectives, including being able to be used as an initial screening tool in choosing alternative investments or mergers, as a forecasting tool regarding financial conditions and performance in the future, as a process of diagnosis of management problems, operations or other problems or as an evaluation tool for management. By knowing the financial condition, the company knows which the company's strengths are facing in competition.

Financial performance analysis at Perum Jasa Tirta I was conducted to find out how the financial condition, its development and the effectiveness of the company's operations in generating profits. Analysis is carried out on the financial statements for the period of 2014 to 2018 by measuring the financial ratio of returns to shareholders (ROE), investment returns (ROI), cash ratios, current ratios, collection periods, inventory turnover, total assets turnover and own capital ratios of total assets following SOEs Ministerial Decree No: KEP100 / MBU / 2002. The purpose of this study are: 1) To find out how the financial performance of Jasa Tirta I Public Corporation (Perum) in 2014-2018. 2) To find out how Jasa Tirta I Public Company (Perum) financial performance is viewed from the analysis of financial reward to shareholders (ROE) ratio, investment return (ROI), cash ratio, current ratio, collection periods, inventory turnover, total asset turnover and the ratio of own capital to total assets according to SOEs Ministerial Decree No: KEP100 / MBU / 2002 2014-2018. 3) To find out how the level of the soundness of the Jasa Tirta I Public Corporation's Public Company (Perum) performance is following Minister of BUMN Decree No: KEP100 / MBU / 2002 2014-2018.

RESEARCH METHOD

The financial performance assessment of Perum Jasa Tirta I was done through an analysis of the company's financial statements. The financial statements used were the balance sheet and income statement. The balance sheet showed the company's financial position at a time, while the income statement showed the results of operations for a certain period. Through the analysis of the company's financial statements using ratio analysis following SOEs Ministerial Decree number Kep-100 / MBU / 2002 and Trend analysis, information about financial performance and influencing factors can be known. The method of data analysis in this study was a quantitative analysis technique using descriptive statistical calculations through the time series analysis method. Based on the description above, this research design can be seen in the following figure:

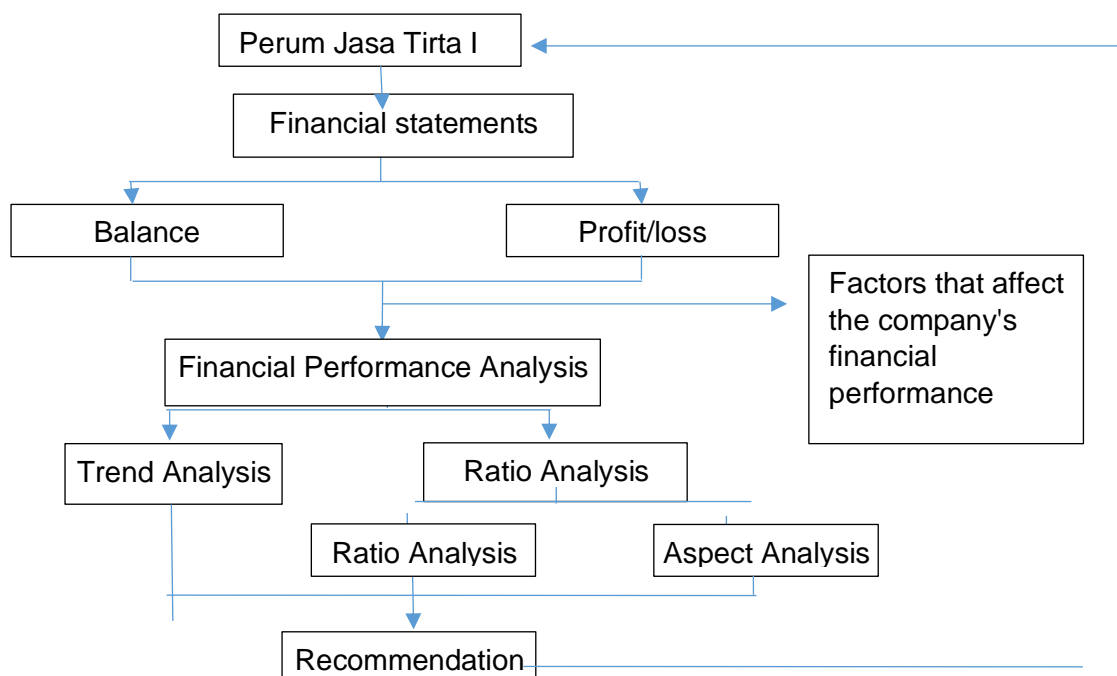


Figure 1. Research Design

RESULTS AND DISCUSSION

Perum Jasa Tirta I was established based on Government Regulation (PP) Number 46 of 2010 is a SOEs in the field of water resources management. The company is given the responsibility of carrying out the operation of Water Resources (SDA) in River Basin (WS) and organizing public benefits of quality and adequate natural resources for fulfilling the lives of many people for social services, welfare, and public safety in the Company's work area. In line with this, the duties and responsibilities of the Company are grouped into 2 (two) categories, namely the General Service Category and the Business Category. Perum Jasa Tirta I carried out main business activities, including (1) Raw water services for drinking water, industry, agriculture, flushing, ports, power plants, and meeting other water needs; (2) Provision of electricity to State-Owned Company (Persero) PT Perusahaan Listrik Negara and/or other than State-Owned Company (Persero) PT Perusahaan Listrik Negara under statutory provisions; (3) Generation, distribution of hydroelectric power, drinking water, consultancy services in the field of Water Resources technology, rental of large equipment, and water quality laboratory services; and (4) Development of Drinking Water Supply Systems (SPAM).

The financial ratio analysis of Perum Jasa Tirta I was carried out using a formula as the data analysis method. With the calculation of each ratio based on data on Perum Jasa Tirta I's balance sheet and income statement, the results are as shown in Table 9 below:

Table 1. Analysis Results Comparison of Jasa Tirta I Public Company's Financial Ratios based on Industry Standards for the Period of 2009-2018

Ratio	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Average	Industry Std
1. Liquidity Ratio												
CR (%)	303	273	300	341	473	636	589	409	407	443	418	Min 200
QR (%)	300	271	298	339	471	632	587	408	406	442	416	Min 150
2. Leverage Ratio												
DAR (%)	16	27	25	22	22	15	15	19	18	16	19	Maks 35
DER (%)	20	37	34	29	29	18	18	23	22	19	23	Maks 80
LTDtE R (kali)	0,01	0,02	0,02	0,02	0,09	0,06	0,06	0,04	0,03	0,03	0,04	Maks 10
3. Activity Ratio												
WCT O (kali)	3	2	2	1	1	1	1	1	1	0,9	1	Min 6
FAT O (kali)	3	5	4	4	4	4	2	3	2	2	3	Min 5

Ratio	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Average	Industry Std
<i>TAT</i>												
<i>O (kali)</i>	1	1	1	0,9	0,9	0,8	0,8	0,9	0,7	0,6	0,8	Min 2
4. Profitability Ratio												
<i>GPM (%)</i>	14	26	19	22	26	22	24	37	25	27	26	Min 30
<i>NPM (%)</i>	11	19	17	18	19	21	21	23	23	23	21	Min 20

Source: Data processed

Based on the table above, the liquidity ratio consists of the current ratio and the quick ratio realized above the industry standard. The influencing factors are current assets and current liabilities. A very liquid current ratio and quick ratio means that the available cash and cash equivalents can be sufficient to meet all of their liabilities both short-term and long-term. This is in line with the results of research by Wijaya, Hidayat, & Sulasmiyati (2017) that the liquidity performance of PT Aneka Tambang is also above the industry standard, indicating that financial performance is in very good condition. According to Al-Afeef & Dr. Anas Ali Al- Qudah (2015), a high current ratio may indicate the existence of excessive cash compared to the level of need or the presence of elements of current assets with low liquidity.

The leverage ratio of Perum Jasa Tirta I is realized according to the standard. This means that funding for company activities does not depend on debt. Influencing factors are the amount of debt that is relatively stable and the increase in equity is not followed by an increase in debt, meaning that the company's operational funding does not depend on debt. This shows the level of funding companies use their own capital is greater than loans. These results are not in line with the conditions of PT Garuda Indonesia, Tbk, in 2011-2015, according to the results of research Rizal (2017) that the leverage ratio of PT Garuda Indonesia, Tbk is above the industry standard limits indicating that financial performance is not good since the higher this ratio, the greater the risk of companies being unable to repay debts. Leverage ratio describes the condition of a company's financial performance because according to research conducted by Thrisye & Simu (2013), leverage ratio (DER) has a significant effect on financial performance (stock returns).

The activity ratio consists of working capital turnover, total asset turn over and fixed asset turn over are realized below industry standards. This shows that the company has not been efficient and optimal in using its current assets, due to the low turnover of accounts receivable or cash balances that are too large or in other words the use of working capital has not been effective. This is in line with the theory according to Kasmir (2014), if a low working capital turnover can be interpreted as a company having excess working capital. This might be due to a low inventory or accounts receivable turnover or a cash balance that is too large. As in research conducted by Srinivasan (2018) that companies must match the amount of working capital with sales trends. In the event of a working capital deficit, companies must try to build adequate working capital. When there is excessive working capital, it must be invested either in trading securities or must be used to repay loans. This is in line with the theory of Kasmir (2019) that total assets turnover below industry standards means that the

company has not been able to maximize its assets, and research conducted by Omondi-Ochieng (2019) that the company's financial effectiveness can be seen from two sides, namely measuring an increase in total assets and total revenue. The results of this study differ from studies conducted by Pulloh & Wi Endang NP (2016) at PT. HM Sampoerna, Tbk, in 2012-2014 which found that the ratio of the company's activities to be realized above the industry minimum standard showed that the company was already good in managing assets and effective in using its working capital.

Profitability ratios consist of gross profit margin in 2014 - 2018 which was realized below industry standards. The low GPM was due to an increase in the company's operating expenses which was not matched by an increase in operating revenues. The company's operating expenses are generally fixed costs, which increase every year is fixed, including employee salaries, general expenses, and official travel expenses. This is in line with the condition of the profitability ratio at PT Garuda Indonesia, Tbk in Rizal (2017) research and at PT Aneka Tambang in the research of Wijaya et al (2017) who found that the company's GPM is below the industry standard. This indicates that the company has not been able to utilize its assets and the high cost of goods sold by the company so that profits (profits) generated by the company are less than optimal. As in previous studies Mehta & Bhavani (2018) and Wijaya et al (2017), a low GPM ratio indicates an increase in operating costs or a reduction inefficiency. Net profit margin in 2014 - 2018 has been realized above the standard.

Whereas based on Perum Jasa Tirta I's financial statements as a basis for evaluating the company's financial performance, the results of the analysis of financial performance based on eight indicators of financial aspects in SOEs Ministerial Decree number: KEP-100 / MBU / 2002 are as follows. Following SOEs Ministerial Decree Number: KEP-100 / MBU / 2002 ROE score of Perum Jasa Tirta I is 15, meaning that the company showed that the company's performance was good during 2009-2018 because the company was able to use its equity efficiently to generate a net profit. The ROI value obtained a maximum score of 10, indicating better company productivity. The value of the cash ratio gets a maximum score of 3. This shows the ability of the company's cash in meeting its obligations is getting better, but if conditions are too high, the cash ratio is also not good because there are funds that are unemployed or have not been used optimally. The current ratio gets a maximum score of 3. The higher the current ratio value, the better the company's financial performance. This shows the company's ability to meet its short-term obligations is getting better. The collection period ratio gets a maximum score of 4, despite an increase in the number of receivable collection days in 2012 and 2018. The inventory turnover ratio gets a maximum score of 4. The Total Asset Turn Over ratio gets a score that is not maximal and tends to decrease. This shows that the optimization of the company's assets has not gone well. The ratio of TOC on TA gets a score of 4, this acquisition has not been maximized because the owner's fund, namely the government, in financing working capital, is still dominant. Health category assessment can be obtained by dividing the total score from the assessment of financial aspects by 50% (weight for infrastructure companies), then the results of the health level of financial aspects of Perum Jasa Tirta I in 2009 - 2018 as a whole have the title AA Healthy.

CONCLUSIONS

In general, the 2009-2018 liquidity ratio is known to be in good condition because it is realized to be higher than the industry standard. This shows that the company can fulfill its short-term obligations. The leverage ratio of 2009-2018 is known to be in good

condition because it is realized to be higher than the industry standard. This shows that the company can manage assets well and reduce funding using their own capital. The activity ratio in 2009-2018 is not in good condition because the ratio of working capital turnover (WCTO), fixed asset turn over (FATO) and total asset turn over (TATO) is realized lower than the industry standard. This shows that the company is less efficient and optimal in using its working capital, maximizing the capacity of its fixed assets and owned assets. While the profitability ratio in 2009-2018 was in a bad condition because the gross profit margin (GPM) ratio was realized below the industry standard, but the net profit margin (NPM) was realized above the industry standard. This shows that the company has not been able to control business costs so that the operating profit generated by the company is less than the maximum and based on the SOEs Ministerial Decree Number: KEP-100 / MBU / 2002 for the assessment of the soundness on the financial aspects of Perum Jasa Tirta I company in 2009-2018 get the AA Healthy title.

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