

Financial Ratio Analysis as an Assessment Tool in Measuring the Company's Financial Performance at COCO 51.673.09 Lumajang Gas Station in 2017 -2019

Dwi Putri Handayani¹, Noviansyah Rizal², Fetri Setyo Liyundira³

Department of Accounting, STIE Widya Gama Lumajang, Indonesia¹²³

Corresponding Author: Dwi Putri Handayani (dwiputrihandayani93@gmail.com)

ARTICLE INFO

Date of entry:
3 August 2022
Revision Date:
10 August 2022
Date Received:
22 September 2022

ABSTRACT

The study aims to determine how the company's financial performance at SPBU COCO 51.673.09 Lumajang because the company's performance is a description of how the financial condition of a company regarding the good and bad state of a company which is a reflection of future work performance. To find out the financial performance required analysis of financial statements. The data analysis method used is quantitative descriptive method using measurement of liquidity, solvency, profitability and activity ratios. Based on the results of research from the liquidity ratio in 2017 to 2019, it can be said that it is not good because the company has difficulty in paying off current liabilities. Based on the solvency ratio in the period 2017 - 2019 is quite good where in each year it has increased, this is due to the low expenditure of companies sourced from loans. In the assessment of the activity ratio for the period 2017-2019, it can be said that it is quite good, judging from the development of the increase, this situation must be maintained. The profitability ratio in the period 2017 - 2019 is good which shows an increase in profit even though there is still a decrease.

Keywords: Financial Ratios, Financial Performance, Financial Statements



Cite this as: Handayani, D. P., Rizal, N., & Liyundira, F. S. (2022). Financial Ratio Analysis as an Assessment Tool in Measuring the Company's Financial Performance at COCO 51.673.09 Lumajang Gas Station in 2017 -2019. *International Journal of Accounting and Management Research*, 3(2), 37-46. <https://doi.org/10.30741/ijamr.v3i2.1154>

INTRODUCTION

Financial statements are information that describes and to assess the performance of the company, especially companies whose shares have been listed and traded on the stock exchange. The information contained in the financial statements to assess the company's performance reflects the fundamentals of the company so that this information can provide a basis for investment decisions. Parties with an interest in the company's financial position and development, namely internal parties such as company management and employees, and external parties such as shareholders, creditors, government, and society. (Maith, 2013). In addition, financial reports always report on company activities in a certain period. Activities that have been carried out are poured in currency values, both in rupiah and in foreign currencies (Erica, 2017). (Erica, 2017). To be able to interpret

accounting information that is relevant to the objectives and interests of the user, a set of analytical techniques has been developed based on published financial statements. one of these techniques that is popularized to be applied in business practice is financial ratio analysis. In this case SPBU (Public Fuel Filling Station) COCO 51.673.09 Lumajang is a cooperating provider as a means of distributing SPBU (Public Fuel Filling Station) products. Gas station business is one of the promising business ventures today. That is why there are so many who are interested in it to then engage in the business. Given the sharp competition and the number of other gas station competitors, the company needs to process its finances in order to be able to compete and keep up. The problem faced by the company is that the company needs to take into account the number of employees it has, and improve its facilities, because what happens is that the company still has problems, namely in managing expenses that are not efficient. Because of this it will affect the performance or profit income of the company. Financial ratio analysis is a company performance analysis instrument that explains various relationships and financial indicators of money intended to show changes in financial condition or operating performance in the past and helps describe the trend pattern of these changes to then show the risks and opportunities inherent in the company concerned. From the level of liquidity and solvency ratios will show how COCO 51.673.09 Lumajang Gas Station will show in terms of liabilities both from the short term and long term, From the level of activity ratios will see in terms of the effectiveness of COCO 51.673.09 Lumajang Gas Station in managing its assets, From the profitability ratio shows how much profit has been generated by COCO 51.673.09 Lumajang Gas Station from the period 2017 - 2019. The researcher's interest in examining the COCO 51.673.09 Lumajang gas station because the gas station is the only gas station owned by the first PT Pertamina Retail in the Lumajang area. And researchers have an interest in looking at the current development conditions and financial performance by referring to the last 3 years of data, namely financial data from 2017 to 2019 after the acquisition process. Acquisition is the acquisition of ownership of a company by the *acquirer*, resulting in the transfer of control over the *acquired* company (*acquiree*) (PSAK No. 22). The gas station has been acquired in 2017 - 2019. The activities at the COCO 51.673.09 Lumajang gas station are clearly different after the acquisition in terms of accounting records and profit generation. This will have an impact on the company's financial performance. Specifically, the researcher wants to know how the company's financial performance at COCO 51.673.09 Lumajang gas station after the acquisition.

Some previous studies that are in line with the title of this research include Hendri (2013), Meutia (2017), Deni (2018), Ingrid (2012), Siti (2017), Hery (2019), Livia (2019)

METHODS

The type of research used in this research is research with quantitative descriptive data, namely data in the form of numbers and can be expressed in units of calculation. This research is located at COCO 51.673.09 Lumajang Gas Station with a case study approach to Financial Performance in terms of financial ratios taken is the balance sheet and income statement of COCO 51.673.09 Lumajang Gas Station from 2017 to 2019. The population taken from this study were the Financial Statements of COCO 51.673.09 Lumajang Gas Station. The sample taken in this study is the Financial Statements of the Balance Sheet and Profit and Loss of COCO 51.673.09 Lumajang Gas Station for the period 2017 to 2019. The independent variables of this study are Solvency, Profitability, Likuditas, and Activity while the dependent variable of this study is Company Performance. This research was conducted with two data collection techniques, namely Documentation and Library Research. The data analysis used in this research is quantitative descriptive data analysis, namely the method carried out by collecting, presenting tables and analyzing data using the analysis of the company's financial ratios carried out on the balance sheet and income statement and showing accurate interpretations.

RESULTS AND DISCUSSION

Income Statement and Balance Sheet Analysis

Table 1. Profit and Loss Statement of COCO 51.673.09 Lumajang Service Station

Income Statement Items	Year		
	2017	2018	2019
Revenue			
Sales	IDR 14,126,060,690	IDR 18,500,898,695	IDR 16,845,874,200
HPP	IDR 13,635,338,503	IDR 17,643,335,074	IDR 16,105,508,514
Gross Profit	IDR 409,722,188	IDR 857,563,621	IDR 740,365,687
Load	IDR 168,076,498	IDR 156,332,521	IDR 171,237,516
Load Losses	IDR 56,519,266	IDR 46,309,615	IDR 27,803,743
Interest Cost	IDR 71,318,276	IDR 118,863,793	IDR 59,632,969
Operating Profit	Rp 194,808,147	IDR 536,057,692	IDR 481,691,459
Amortization	IDR 17,514,225	IDR 35,028,465	IDR 26,271,321
Profit After Tax	IDR 177,293,923	IDR 501,029,228	IDR 455,420,138
Tax	IDR 26,751,755	IDR 44,585,258	IDR 35,668,206
EAT	IDR 150,542,768	IDR 456,443,969	IDR 419,715,932

Source: COCO gas station 51.673.09 Lumajang

From the table above, it can be seen that the total sales in 2017 amounted to Rp 14,126,060,690, - in 2018 it increased by Rp 18,500,898,695, - while in 2019 it decreased by Rp 16,845,874,200, -. And the cost of goods sold in 2017 was Rp 13,635,338,503, - and in 2018 it increased by Rp 17,643,335,074, - while in 2019 it decreased by Rp 16,405,508,514, -. For expenses in 2017 amounted to Rp 168,076,498, - and in 2018 it decreased by Rp 156,332,521, - while in 2018 it increased by Rp 171,237,516, -. For EBIT in 2017 amounted to Rp 71,318,276, - and in 2018 it increased by Rp 118,863,793, - while in 2019 it decreased by Rp 59,632,969. For EAT in 2017 amounted to Rp 150,542,768, and in 2017 it increased significantly by Rp 456,443,969, - while in 2019 it decreased by Rp 419,715,932.

Table 2. Statement of financial position of COCO 51.673.09 Lumajang gas station

Balance Sheet Items	Year		
	2017	2018	2019
Current Assets	IDR 5,260,120,706	Rp 6,490,778,078	IDR 6,622,787,842

Fixed Assets	IDR 956,283,131	IDR 856,883,904	IDR 717,106,095
Long-term Debt	IDR 2,978,967,537	IDR 3,953,205,132	IDR 3,733,627,130
Short-term Debt		IDR 62,250,000	IDR 12,450,000
Equity	IDR 3,237,435,670	IDR 3,332,206,850	IDR 3,593,816,807

Source: COCO service station 51.673.09 Lumajang

From the table above, it can be seen that the amount of current assets for 2017 was Rp 5,260,120,076, - experienced an increase in 2018 of Rp 6,490,778,078, - while in 2019 it experienced a not too significant decrease of Rp 6,622,787,842, - For fixed assets in 2017 amounting to Rp 956,283,131, - in 2018 it decreased by Rp 856,883,904, - and in 2019 it decreased again by Rp 717,106,095, -. For short-term liabilities at COCO 51.673.09 Lumajang gas station in 2017 amounting to Rp 2,978,967,537, - in 2018 it increased significantly by Rp 3,953,205,132, - and in 2019 it decreased by Rp 3,733,627,130, -. For long-term liabilities in 2017 there were no long-term debt dependents, and in 2018 long-term debt amounted to Rp 62,250,000, - while in 2019 it decreased by Rp 12,450,000. Meanwhile, Equity in 2017 amounted to Rp 3,237,435,670, - and in 2018 it increased by Rp 3,332,206,850, - while in 2019 it increased by Rp 3,593,816,807.

Table 3. Current Ratio of COCO 51.673.09 Lumajang Service Station

Year	Current Assets	Current Payables	%
2017	5.260.120.076	2.978.967.537	176.57 %
2018	6.490.778.078	3.953.205.132	164.19 %
2019	6.622.787.842	3.733.627.130	177.38 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

In 2017, it shows the ability of current assets to cover current liabilities at the end of the year, which is 176.57%, this is a good condition for the company. In 2018 there was a decrease in the ability of the liquidity level where the ability of current assets could not cover current liabilities of 164.19% while in 2019 there was an increase where the ability of current assets could cover current liabilities of Rp 177.38%.

Table 4. Quick Ratio of COCO 51.673.09 Lumajang Service Station

Year	Current Assets	Supplies	Current Payables	%
2017	5.260.120.076	1.047.116.076	2.978.967.537	141.42 %
2018	6.490.778.078	1.490.778.078	3.953.205.132	126.47 %
2019	6.622.787.842	1.300.000.842	3.733.627.130	142.56 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

The calculation in 2017 that shows the ratio between Current Assets minus inventory divided by current debt is 141.42%, as well as the calculation in 2018 of 126.47%, which has decreased and in

2019 the calculation is Rp 142.56%. From the acquisition of all calculations Quick Ratio is still in good condition because the company can still cover current liabilities except in 2018.

Table 5. Debt to Equity Ratio of COCO 51.673.09 Lumajang gas station

Year	Total Debt	Total Equity	%
2017	2.978.967.537	3.237.435.670	92.01 %
2018	4.015.455.132	3.332.206.850	120.50 %
2019	3.746.077.130	3.593.816.807	104.23 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

From the results of the above calculations it can be seen that in 2017 the company's capital ability to cover its debt was 92.01%, while in 2018 the company's capital ability to cover its debt was 120.50% which was a very significant increase, while in 2019 the company experienced a decrease in ability, namely 104.23%.

Table 6. Total Debt To Equity Ratio of COCO service station 51.673.09 Lumajang

Year	Total Debt	Total Assets	%
2017	2.978.967.537	6.216.403.207	47.92 %
2018	4.015.455.132	7.347.661.982	54.64 %
2019	3.786.077.130	7.339.893.937	51.58 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

From the results of the calculation of debt to assets that have been carried out according to the data above, it shows that in 2017 the ability of capital to cover its debts amounted to 47.92. and in 2018 the company's ability to cover its debts has increased by 54.64% even though in the year it experienced a decrease in 51.58% ability.

Table 7. Total Asset Turn Over of COCO 51.673.09 Lumajang filling station

Year	Net Sales	Total Assets	times
2017	6.943.988.485	6.216.403.207	111.70 times
2018	18.500.898.695	7.347.661.982	251.79 times
2019	16.845.874.200	7.339.893.937	229.51 times

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

It can be seen that asset turnover in 2017 was 111.70 times, in 2018 it was 251.79 times and in 2019 it was 229.51 times. This shows that the company gets sales whose value is 111.70 times and in 2018 it has increased by 251.79 times, this shows that each year will reflect the amount of investment needed in activities to be more efficient. However, in 2019 it decreased by 229.51 times.

Table 8. Net Profit Margin of COCO 51.673.09 Lumajang filling station

Year	Net Profit After Tax	Net Sales	%
2017	150.542.768	14.126.060.690	1.06 %
2018	456.443.969	18.500.898.695	2.46 %
2019	419.751.332	16.845.874.200	2.49 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

In 2017 it showed 1.06% net profit for each asset owned by the gas station, in 2018 the profit was 2.46%. And in 2019 it showed 2.49%. The greater the ratio obtained by a company indicates the company's ability to generate a high enough profit at a certain level of sales. But also vice versa when the ratio is low, it shows the inefficiency of the gas station.

Table 9. Return of Equity of COCO 51.673.09 Lumajang gas station

Year	Net Profit After Tax	Total Equity	%
2017	150.542.768	3.237.435.670	4.65 %
2018	456.443.969	3.332.206.850	13.69 %
2019	419.751.332	3.593.816.807	11.67 %

Source: COCO Service Station 51.673.09 Lumajang (data reprocessed)

In 2017 it showed 4.65%, in 2018 there was an increase which showed 13.69%. This shows that the higher the income earned, the better the position of a company or the position of the company owner. However, in 2019 it showed a decrease of 11.67%, almost half of the profit in 2018.

Table 10: Gross profit margin of COCO 51.673.09 Lumajang gas station

Year	Sales	Cost of Goods Sold	Net Sales	%
2017	14.126.060.690	13.635.338.503	14.126.060.690	3.47 %
2018	18.500.898.695	17.643.335.074	18.500.898.695	4.63 %
2019	16.845.874.200	16.105.508.514	16.845.874.200	4.39 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

According to the calculation of Gross Profit Margin in 2017 shows 3.47% gross profit for each asset owned by the company. In 2018 it increased, namely 4.63% for each asset owned by the company. In 2019 it decreased, namely 4.39%. This decreases every year because the smaller the ratio received, the smaller the profit received by the company.

Table 11: Return on Investment of COCO 51.673.09 Lumajang gas station

Year	Net Profit After Tax	Total Assets	%
2017	150.542.768	6.216.403.207	2.42 %
2018	456.443.969	7.347.661.982	6.21 %
2019	419.751.332	7.339.893.937	5.71 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

In 2017 it showed 2.42%, in 2018 it showed 6.21%, this shows an increase in profit in 2 company years. In 2019 there was a decrease of 5.71% there was one year of decline but it did not look too significant.

Discussion

Company Performance Assessment

Financial performance is the achievement of maximum activity results on the use of a number of funds used to meet the needs of financing business activities. Financial performance assessment is measured by comparing the results of the current ratio calculation with the same ratio in the past. If the results of the calculation of the company's financial ratios are greater or above the theoretical number or financial ratios that tend / development to increase, the company's financial condition is said to be efficient (good) and vice versa if the results of the calculation of the company's financial ratios are smaller or below the theoretical number or financial ratios that tend or development to decrease, the company's financial condition is liquid. This can provide solutions to company finances and investors with the benefits of information about financial performance. Based on the results of the analysis using financial ratios consisting of Liquidity (Current Ratio, Quick Ratio), Solvency (Debt to Equity Ratio, Total Debt to Equity Ratio), activity (Total Assets Turnover) and profitability (Net Profit Margin, Return on Equity). then it can be assessed that the financial performance of the COCO 51.673.09 Lumajang gas station company in the period 2017 to 2019 as a whole is as follows:

Table 12. Financial performance reporting of COCO 51.673.09 Lumajang gas station

Ratio	Year		
	2017	2018	2019
Liquidity Ratio			
Current Ratio	176.57 %	164.19%	177.38 %
Quick Ratio	141.42 %	126.47%	142.56 %
Solvency Ratio			
Debt to Equity Ratio	92.01 %	120.50 %	104.23 %
Total Debt to Equity Ratio	47.92 %	54.64 %	51.58 %
Activity Ratio			

Total Assets Turnover	111.70 times	251.79 times	229.51 times
Profitability Ratio			
Net Profit Margin	1.06 %	2.46 %	2.49 %
Return on Equity	4.65 %	13.69 %	11.67 %
Gross Profit Margin	3.47 %	4.63 %	4.39 %
Return of Investment	2.42 %	6.21 %	5.71 %

Source: COCO 51.673.09 Lumajang gas station (data reprocessed)

After measuring financial performance and evaluating the financial statements of SPBU COCO 51.673.09 Lumajang in 2017, 2018 and 2019 using Liquidity Ratio analysis including (Current Ratio and Quick Ratio), Solvency Ratio including (Debt to Equity Ratio and Total Debt to Equity Ratio), Activity Ratio (Total Assets Turnover), and Profitability Ratio including (Net Profit Margin, Return on Equity, Gross Profit Margin, Return of Investment). According to the data table above, it can be assessed that the financial performance of the COCO 51.673.09 Lumajang gas station is as follows:

1. Likuiditas

In the financial performance of SPBU COCO 51.673.09 Lumajang from 2017, 2018, 2019 it can be said that it is not very good as seen from the point of view of liquidity which can be characterized by a decrease in the company's ability to pay off its obligations. Although it can be seen that in 2018 there was a decrease but not significantly so that the COCO 51.673.09 Lumajang gas station company can be said to be unhealthy because there was an increase in debt from 2017 to 2019 so that it could not pay off the debt in a timely manner.

2. Solvency

In the Financial Performance at COCO 51.673.09 Lumajang Gas Station for the period 2017, 2018, 2019 seen from the point of view of the Solvency ratio shows a fairly good value which can be characterized by an increase in each year even though there was a decrease in 2017 although it did not look significant and it can be said that the company is in a fairly good condition. This is due to the lower company expenditure sourced from loans. And the company's ability to pay off obligations can also be said to have increased.

3. Activities

Financial performance at the COCO 51.673.09 Lumajang gas station company from 2017, 2018, 2019 is said to be very good in terms of asset turnover at COCO 51.673.09 Lumajang gas station because asset turnover from 2017 and 2018 has increased even though there is a decrease in 2019 which is considered not too influential so that the company can be assessed in good condition.

4. Profitability

Financial performance at COCO 51.673 gas stations.09 Lumajang for the period 2017, 2018, and 2019 in the calculation of net profit margin in each year has increased and in this situation the company can be said to be good because the level of profit continues to increase even though it is not too significant, the calculation from the point of view of Return On Equity has increased in 2 years this shows the success of gas stations in generating net income, from the calculation of Gross Profit Margin seen in 2017, 2018, 2019 has increased and decreased this is due to the gross profit generated by gas stations so that it has an impact on operating costs, while in the calculation of Return of Investment in 2017, 2018, 2019 is quite good where it has increased although there is also a decrease in 2019.

From the entire description above, the author can conclude that the financial performance of the COCO 51.673.09 Lumajang gas station for the 2017, 2018 and 2019 periods can be said to be quite good and is expected to help the company as material for evaluating financial performance.

CONCLUSION

- a. The financial performance of the COCO 51.673.09 Lumajang gas station based on the calculation results of the liquidity ratio analysis can be said to be a company in a bad condition because the company will experience difficulties in paying off its current obligations.
- b. The assessment of financial performance at COCO 51.673.09 Lumajang gas station according to the analysis of the solvency ratio is quite good which in each year has increased even though in 2017 it had experienced a not too significant decline, this is due to the lower company expenditure sourced from loans.
- c. Financial performance at COCO 51.673.09 Lumajang gas station based on the results of calculations using activity ratio analysis can be said to be very good because asset turnover from 2017 and 2018 has increased despite a decrease in 2019.
- d. Assessment of the financial performance of COCO 51.673.09 Lumajang gas stations using profitability ratio analysis is quite good where every year from 2017, 2018, 2019 has increased because every year the profit earned by gas stations from each asset has increased even though there is a decrease but does not affect significantly.

REFERENCES

- Darsono. (2005). *Pedoman Praktis Memahami Laporan Keuangan*. Yogyakarta: Penerbit Andi.
- Erica. (2017). *Analisis Rasio Laporan Keuangan Untuk Menilai Kinerja Perusahaan PT Semen Indonesia Tbk (Persero)*. *Jurnal Perspektif* Vol xv No 2, 89-94
- Fidhayatin, S. K. (2012). *Analisis Nilai Perusahaan, Kinerja Perusahaan dan Kesempatan Bertumbuh Perusahaan Terhadap Return Saham Pada Perusahaan Manufaktur Yang Listing di BEI*. *Jurnal Akuntansi*, Vol 2 Hal 5.
- Harahap, Sofyan Syafri. 2013. *Analisa Kritis atas Laporan Keuangan*. Jakarta: PT Indonesia, I. A. (2009). *Standar Akuntansi Keuangan*. Jakarta: Penerbit Salemba Empat.
- Kashmir. (2008). *Analisis Laporan Keuangan*. Jakarta: PT Raja grafindo Persada.
- Kuswadi. (2004). *Cara Mudah Memahami Angka dan Manajemen Keuangan bagi Orang Awam*. Jakarta: Gramedia.
- Maith, H. A. (2013). *Analisis Laporan Keuangan dalam Mengukur Kinerja Keuangan*. *Jurnal EMBA Vol.1 No.3*, 619- 628.
- Mulyadi. (2001). *Akuntansi Manajemen Edisi 3*. Jakarta: Salemba Empat.
- Nazir, M. (2014). *Metode Penelitian Edisi 9*. Jakarta: Ghalia Indonesia.
- Pongoh, M. (2013). *Analisis Laporan Keuangan Untuk Menilai Kinerja Keuangan PT. Bumi Recouces TBK*. *Jurnal EMBA*, 669-679.
- Praytino, R. H. (2010). *Peranan Analisa Laporan Keuangan dalam Mengukur Kinerja Keuangan Perusahaan : Studi Kasus Pada PT X*. *Jurnal Manajemen UNNUR Bandung Volume 2 No.1. Universitas Nurtanio Bandung*, Hal 9.
- Rivai dan Basri. 2004. "Manfaat Penilaian Kinerja". *Jurnal* <http://journalsdm.blogspot.com/2004/04/penilaiankinerja-karyawan-definisi.html>
- Tanjung, A. H. (2007). *Akuntansi Pemerintahan Daerah : Konsep dan Aplikasi Cetakan Kesatu*. Bandung: Alfabeta.
- Weygandt, Jerry J, Donald E. Kieso dan Paul D. Kimmel. 2008. *Accounting Principles*, Edisi Ketujuh, Buku 1, Salemba Empat, Jakarta.