

FINANCIAL PERFORMANCE ANALYSIS OF PT KIMIA FARMA Tbk

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Abstract: Financial statements are essentially the result of an accounting process that is prepared based on generally accepted accounting principles. The financial statements aim to provide information about the company's financial position, performance, and cash flow that is useful for most users of the statements in order to make economic decisions and demonstrate management's stewardship for the use of resources entrusted to them. In this study, the author is interested in analyzing the financial performance and profitability of PT. Kimia Farma Tbk for the period 2018 - 2022. This study uses a qualitative descriptive analysis method for financial statements using a formula to measure the performance and profitability of PT. Kimia Farma during that period. The results of the analysis obtained by PT. Kimia Farma, the Current Ratio of 3.22: 1 in 2018 is quite high so that it can be said to be over liquid, decreasing again in 2019 by 1.47: 1 and decreasing slightly to 1.16: 1 in 2020. It rose to 1.7: 1 in 2021 and increased significantly by 10.6: 1 or over liquidity occurred. The company's solvency ability to meet its obligations or debts, the total debt to equity ratio in 2018 of 0.52 indicates that this company operates quite Solven, namely that its own capital is greater than its debt. In 2019 there was an increase in total debt compared to its own capital, which was 56% of its own capital. Then from 2020; 2021; 2023 there was a decrease in total debt to equity starting from 0.52; 0.44 and 0.44 in 2022. The Receivable Turnover Ratio is seen to fluctuate from 6.11 times in 2018 to 23.4 times in 2019, then increasing again to 25.88 times in 2020, then tending to decrease in 2021, namely 16.8 times and 14.4 times in 2022. The decrease in the receivables turnover rate indicates an accumulation of receivables. There is a buildup of inventory as seen from the Inventory Turn Over Ratio, if there is a slowdown in inventory turnover it will have an impact on the company's profit margin or net earning power level as seen in this Ratio, which is 6.11 times in 2018 down to 5.79 times in 2019 and 4.97 times in 2020, then down again to 3.67 times in 2021 and to 3.59 times in 2022. As a result of the buildup of inventory, the company's Earning power will decrease from 13.1% in 2018 to 12.4% in 2019, but there was an improvement again in 2020, which was 14.7% then down to 12% in 2021 and 2022.

Keywords: Financial Report Performance Analysis Profitability Analysis,.

INTRODUCTION

Financial statements are the final process in the accounting process that has an important role for measuring and assessing the performance of a company. For companies in Indonesia, the financial statements have the purpose of providing information about the financial position, performance, and cash flow of the company that is beneficial to most users of the report in order to make economic decisions and demonstrate the stewardship of management over the use of resources entrusted to them.

Many large or small-scale companies, both for-profit and non-profit, have a great concern in the field of Finance. In the development of an increasingly advanced business world, competition between one company with another company is getting higher resulting in a company that suddenly regressed. Therefore, in order for the company to survive and grow, the

company must pay close attention to the condition and performance of the company. To find out exactly how the condition and performance of the company is also needed a proper analysis.

At first the financial statements for a company only as a testing tool of the work of the bookkeeping. Furthermore, financial statements are not only a testing tool, but also as a basis to be able to determine or assess the financial position of the company concerned by conducting an analysis. Through the results of the analysis, it is possible to know the use of economic resources, the obligations to be fulfilled and the Capital owned by the company, as well as the results that the company has achieved.

Media that can be used to assess the performance of the company is the financial statements. Financial statements are a description of the results or development of the company's business. The financial statements are used to help users of financial statements in assessing the performance of the company so that they can make the right decisions.

The financial performance of a company can be measured and viewed through the financial statements by analyzing the financial statements. Harahap (2019,38) said that financial statement analysis activities are one of the media to get more, better, accurate information, and serve as material in the decision-making process. Analysis of financial statements is a very important tool to obtain information related to the financial position of the company as well as the results that have been achieved in connection with the selection of the company's strategy to be established. In addition, by analyzing the company's financial statements, the company's leadership can determine the company's financial condition and the results that have been achieved in the past and in the current time.

Based on previous research by M Aznita · 2021 · UIN Riau— this research uses quantitative methods, focusing on the company's financial performance. The study used the ratio of liquidity, activity, solvency and profitability, the results fluctuate up and down from year to year. AR Amir · 2022 * UIN Pare pare, this study aims to determine the financial performance of PT Sarimelati Kencana Tbk which is measured using liquidity ratios, solvency the results of this study show that the financial performance of PT Sarimelati Kencana Tbk as measured by several financial ratios shows that the company's financial performance fluctuates. The liquidity ratio of Pt Sarimelati Kencana Tbk in the Current Ratio of 2019-2021 is 131.8%, 83.1%, 93.1%. Quick Ratio in 2019-2021 amounted to 73.2%, 30.5%, 41.0%. Cash Ratio in 2019-2021 amounted to 23.6%, 12.6%, 20.8%. The solvency ratio of Pt Sarimelati Kencana Tbk from Debt to Asset Ratio in 2019-2021 was 36.4%, 48.4%, 47.4%. Debt to Equity Ratio in 2019-2021 amounted to 57.4%, 93.9%, 90.1%. The profitability ratio of Pt Sarimelati Kencana Tbk from Return on Assets in 2019-2021 amounted to 9,48%, (4,19%), 2,74%. Return on Equity in 2019-2021 14,9%, (8,12%), 5,21%. Net Profit Margin in 2019-2021 amounted to 5,01%, (2,70%), 1,77%. The activity ratio of Pt Sarimelati Kencana Tbk from Receivable Turnover in 2019-2021 was 202.7 times, 128.9 times, 117 times. Fixed Assets Turnover in 2019-2021 amounted to 3.56 times, 2.81 times 2.83 times.

As is known, the main purpose of financial statements is to provide information regarding the financial position, performance and changes in the financial position of a company that is beneficial to a large number of users in making economic decisions. That is, financial statements are a tool to obtain information about the financial position and operating results that have been achieved by a company. This information will be used as a consideration in decision making, both by the company's management and external parties.

Based on the description of the background that has been stated previously based on the balance sheet and Income Statement attached to the summary as follows

Table 1
Balance Sheet (000)

Information	Period				
	2018	2019	2020	2021	2022
Current asset					
cash	Rp 206.800	Rp 360.200	Rp 249.900	Rp 114.000	Rp 280.000
Account receivable	Rp 177.000	Rp 183.770	Rp 185.700	Rp 280.000	Rp 340.000
inventory	Rp 687.500	Rp 742.300	Rp 967.300	Rp 1.280.000	Rp 1.330.000
TOTAL	Rp 1.071.300	Rp 1.286.270	Rp 1.402.900	Rp 1.674.000	Rp 1.950.000
Fix Assets					
Office tools	Rp 130.000	Rp 132.000	Rp 140.000	Rp 140.000	Rp 140.000
Laboratory Tools	Rp 2.100.000	Rp 2.080.000	Rp 2.200.000	Rp 3.220.000	Rp 3.220.000
Vehicle	Rp 320.000	Rp 315.000	Rp 310.000	Rp 310.000	Rp 310.000
Building	Rp 4.500.000	Rp 4.500.000	Rp 4.500.000	Rp 4.500.000	Rp 4.500.000
ACCUMULATED DEPRECIATION	Rp (50.000)	Rp (85.000)	Rp (120.000)	Rp (155.000)	Rp (190.000)
TOTAL	Rp 7.000.000	Rp 6.942.000	Rp 7.030.000	Rp 8.015.000	Rp 7.980.000
ASSETS TOTAL	Rp 8.071.300	Rp 8.228.270	Rp 8.432.900	Rp 9.689.000	Rp 9.930.000
CURRENT LIABILITY					
Short Term Debt					
Account payable	Rp 333.038	Rp 875.316	Rp 1.212.467	Rp 984.647	Rp 183.847
Long term Debt					
Bank Debt	Rp 2.436.900	Rp 2.095.160	Rp 1.670.200	Rp 1.980.000	Rp 1.900.000
Others					
TOTAL LONG TERM DEBT	Rp 2.436.900	Rp 2.095.160	Rp 1.670.200	Rp 1.980.000	Rp 1.900.000
TOTAL LIABILITY	Rp 2.769.938	Rp 2.970.476	Rp 2.882.667	Rp 2.964.647	Rp 2.083.847
CAPITAL					
Own Capital	Rp 4.400.000	Rp 3.400.000	Rp 3.400.000	Rp 3.400.000	Rp 3.400.000
PRIVE	Rp (214.000)	Rp (281.000)	Rp (1.228.000)	Rp (1.219.000)	Rp (1.242.000)
Retained Earning Current Year	Rp 200.000	Rp 1.115.362	Rp 2.138.794	Rp 3.378.233	Rp 4.543.353
Profit	Rp 915.362	Rp 1.023.432	Rp 1.239.439	Rp 1.165.120	Rp 1.144.800
Capital Total	Rp 5.301.362	Rp 5.257.794	Rp 5.550.233	Rp 6.724.353	Rp 7.846.153

TOTAL PASSIVA	Rp 8.071.300	Rp 8.228.270	Rp 8.432.900	Rp 9.689.000	Rp 9.930.000
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Source: PT. Kimia Farma Palembang Branch

Table 2
INCOME STATEMENT

Information	Period				
	2018	2019	2020	2021	2022
SALES	Rp 4.200.247	Rp 4.300.535	Rp 4.806.173	Rp 4.700.500	Rp 4.774.000
COST OF GOODS SOLD	Rp 2.520.148	Rp 2.580.321	Rp 2.883.704	Rp 2.820.300	Rp 2.864.400
Operating Cost	Rp 18.800	Rp 21.400	Rp 19.200	Rp 20.600	Rp 21.000
Employee Salary	Rp 59.796	Rp 62.800	Rp 61.300	Rp 64.000	Rp 64.100
Depretiation	Rp 35.000	Rp 35.000	Rp 35.000	Rp 35.000	Rp 35.000
Transportation/ Shippig Cost	Rp 6.810	Rp 7.450	Rp 7.140	Rp 7.200	Rp 73.500
EARNINGS BEFORE INTEREST AND TAXES	Rp 1.559.693	Rp 1.593.564	Rp 1.799.829	Rp 1.753.400	Rp 1.716.000
Interest	Rp 415.491	Rp 314.274	Rp 250.530	Rp 297.000	Rp 285.000
EARNIGS BEFORE TAXES	Rp 1.144.202	Rp 1.279.290	Rp 1.549.299	Rp 1.456.400	Rp 1.431.000
TAXES	Rp 228.840	Rp 255.858	Rp 309.860	Rp 291.280	Rp 286.200
Profit	Rp 915.362	Rp 1.023.432	Rp 1.239.439	Rp 1.165.120	Rp 1.144.800

Source: PT. Kimia Farma Palembang Branch

LITERATURE REVIEW

Financial statements are essentially the result of an accounting process prepared based on Generally Accepted Accounting Principles that can be used to communicate financial data to interested parties. To understand the financial statements which are the accounting statements themselves, it is necessary to know the definition of accounting. There are several definitions of accounting, namely :

According To Simangunsong, (2020, 48). Accounting is the art of recording, classifying, and summarizing transactions and events of a financial nature in an efficient manner and in the form of units of money, and interpreting the results of these processes.

According to Zaki Baridwan, (2019, 34) defines accounting as, a discipline that provides important information so that it allows the implementation and assessment of the efficient running of a company. Accounting can also be defined as the process of identifying, measuring and reporting economic information to enable clear and firm judgments and decisions for those who use the information. From the definitions above it can be concluded that the accounting process includes the collection and processing of company financial data.

In the accounting process, various transactions or events that constitute the economic activities of the company are identified through measurement, recording, classification and

recognition of financial transactions in such a way that they produce relevant information and are interconnected with each other, and are able to provide a decent picture of the financial condition of a company in a period presented in the form of financial statements.

Financial statements describe the financial condition and results of operations of a company at a particular time or period of time. Commonly known types of financial statements are the balance sheet, income statement, cash flow statement, and statement of changes in financial position or statement of changes in capital.

For analysts, financial statements are the most important medium for assessing the performance and economic condition of a company. In the first stage an analyst will not be able to make direct observations to a company. And had it been done, he wouldn't have been able to know much about the company's situation either. Therefore, the most important medium is financial reports. This financial statement is the material for information (screen) for analysis in the decision-making process. Financial statements can describe the company's financial position, the company's results of operations in a period, and the company's cash flow in a certain period (Harahap, 2019, 98). According to Zaki Baridwan, 2019, 122): "financial statements are part of the financial reporting process. A complete financial statement usually includes a balance sheet, Income Statement, Statement of changes in financial position (which can be presented in various ways such as, for example, as a statement of cash flows or a statement of funds flows), notes and other statements, as well as explanatory materials that are an integral part of the financial statements. In addition, it also includes schedules and additional information related to the report, for example, financial information on industry and geographic segments and disclosure of the effect of price changes".

Simangunsong (2020,156) defines that financial statements are reports designed for decision makers, especially parties outside the company, regarding the company's financial position and results of operations. While Myer (Munawir, 2019) says that what is meant by financial statements is "two lists compiled by accountants at the end of a period for a company. The two lists are the balance sheet list or financial position list and the Income list or profit-loss list. In recent times it has become customary for companies to add a third list, namely the surplus list or the list of undistributed profits (retained earnings)".

Through the explanation of the definition of financial statements above, it can be seen that financial statements are reports that present information that will be used by interested parties both parties from within the company itself and parties outside the company in order to make the right decisions.

Financial statements are prepared with the aim to provide information related to the financial position, performance and changes in financial position of an identity that is useful for decision-making of the wearer. Decisions taken by users of financial statements vary greatly, depending on their interests. The financial information contained in the financial statements must have certain characteristics in order to meet the needs of the wearer. The characteristics that must be met by an information contained in the financial report are set out in the basic framework for the preparation and presentation of financial statements (Sunjaya, 2020,121).

According to Financial Accounting Standards (Munawir, 2019, 144), financial statements aim to :

- A. provides information regarding the financial position, performance, and changes in the financial position of a company that is beneficial to a large number of users in decision making.
- B. financial statements are prepared to meet a common need by most of its users that generally describe the financial impact of past events.

- C. financial statements also show what management has done (stewardship), or management's responsibility for the resources entrusted to it.

Information in financial statements is one of the important sources of information for users of financial statements in making an economic decision. But on the other hand, it was found that the financial statements still have limitations in the information presented in them. By conducting further analysis of the financial statements through the process of comparison, evaluation and Trend Analysis will be obtained predictions about what might happen in the future. This is where one of the important meanings of Financial Statement Analysis.

Financial statement analysis according to Harahap (2019) means “outlining the items of financial statements into smaller units of information and looking at relationships that are significant or that have meaning between one another both between quantitative data and non-quantitative data with the aim of knowing the financial condition more deeply which is very important in the process of making the right decisions”.

Bernstein (Harahap,2019, 195) gives the following definition of Financial Statement Analysis: “Financial Statement Analysis includes the application of analytical methods and techniques to financial statements and other data to see from the report certain measures and relationships that are very useful in the decision-making process”.

Analysis of financial statements is carried out to achieve several goals. For example, it can be used as an initial screening tool in choosing investment or merger alternatives; as a forecasting tool regarding future financial conditions and performance; as a diagnosis process for management, operations or other problems or as an evaluation tool for management. In addition, the objectives of the financial statement analysis according to Harahap (2019) are:

1. Can provide information that is broader, deeper than that contained in the financial statements.
2. Can dig up information that is not visible to the naked eye (explicit) from a financial report or that is behind the financial statements (implicit).
3. Can find errors contained in the financial statements.
4. May expose matters that are inconsistent in relation to a financial statement both associated with the internal component of the financial statements and in relation to information obtained from outside the company.
5. Knowing the properties of relationships that can eventually give birth to models and theories in the field such as to predict, increase (rating).
6. Can provide information desired by decision makers. In other words what is meant by a financial statement is the purpose of financial statement analysis as well.
7. Can determine the rank (rating) of the company according to certain criteria that are well known in the business world.
8. Can compare the company's situation with other companies with the previous period or with normal industry standards or ideal standards.
9. Can understand the financial situation and conditions experienced by the company, both financial position, results of operations, financial structure, and so on.
10. It can also predict what potential the company may experience in the future.

Of all these objectives, the most important of the financial statement analysis is to reduce the dependence of decision makers on pure guesswork; reduce and narrow the scope of uncertainty that can not be avoided in any decision-making process. Analysis of financial statements does not mean reducing the need for the use of various considerations, but rather provides a viable and systematic basis for using these considerations. According to Sunjaya

(2020, 134) various steps must be taken in conducting an analysis of financial statements. mention the steps in the analysis of financial statements as follows :

1. Understand the background of the company's financial data.
2. Understand the conditions that affect the company.
3. Study and review financial statements.
4. Analyze financial statements.

Until now there has been no uniformity in defining performance. There are those who see performance as the implementation of operating activities, there are those who prefer performance as the work performance of an individual or company. Some experts define performance as follows:

According to the Great Indonesian dictionary (Kusumadiyanto, 2018) “performance is something achieved/achievement shown/ work ability”. Meanwhile, according to Siegel and Marconi in behavior Accounting translated by Hormono 2019,149 “performance is the periodic determination of the operational effectiveness of an organization, how the organization and employees are based on previously set goals and criteria”.

Another case with Zaki Baridwan, (2019, 176) in his book suggests “performance is a measure of how effective and efficient a manager or company is, how good a manager or company is in achieving adequate goals. Riyanto (2021) in his book says “performance is the ability of a company in the field of finance to provide information about the flow of funds both the arrival of funds and for what the funds are used”.

Corporate performance in the field of Finance is an analysis carried out to see the extent to which a company has implemented by using the rules of financial implementation properly and correctly. Corporate performance is a description of the financial condition of a company that is analyzed with financial analysis tools, so that it can be known about the good and bad financial condition of a company that reflects work performance in a certain period. This is very important so that resources are used optimally in the face of environmental changes (Sunjaya, 2020:211).

The financial performance of the company is closely related to the measurement and assessment of performance. Performance measurement (performing measurement) is the qualification and efficiency and effectiveness of the company in the operation of the business during the accounting period. Performance appraisal is the determination of the effectiveness of operations, organizations, and employees based on targets, standards and criteria that have been set previously on a periodic basis.

Performance measurement is used by companies to make improvements to their operations in order to compete with other companies. Financial performance analysis is a critical assessment process to review data, calculate, measure, interpret, and provide solutions to the company's finances in a certain period.

According to Munawir (2019: 31) states that the purpose of measuring the company's financial performance is:

1. Know the level of liquidity. Liquidity indicates the ability of a company to meet financial obligations that must be resolved immediately at the time of collection.
2. Find out the level of solvency. Solvency shows the company's ability to meet its financial obligations if the company is liquidated, both short-term and long-term finances.
3. Know the level of profitability. Profitability or what is often called profitability shows the company's ability to generate profits during a certain period.
4. Know the level of stability. Stability indicates the company's ability to conduct its business stably, which is measured by considering the company's ability to pay its debts and pay interest charges on its debts on time

From the above definition, it can be concluded that the definition of financial performance is the achievement achieved by a company in the field of Finance in a certain period that reflects the health of the company in that field.

To assess the financial condition and performance of a company, the analysis of financial statements requires several benchmarks. The benchmark that is often used is a ratio or index that connects two financial data with one another. Analysis and interpretation of the various ratios can provide a better view of the financial condition and performance of the company.

According To Suad Husnan (2019, 133).what is meant by “ratio” in the analysis of financial statements is a number that shows the relationship between an element and other elements in the financial statements. The relationship between the elements of the financial statements is expressed in simple mathematical form

Ratio analysis as well as other analytical tools are “future oriented”.Therefore, the analyst must be able to adjust the factors that exist in this period or time with factors in the future that may affect the financial position or results of operations of the company concerned. Thus the usefulness or benefit of a number ratio depends entirely on the ability or intelligence of the analyst in interpreting the data in question.

RESEARCH METHODS

The study was conducted at the Office of Kimia Farma Palembang branch located at Jalan Sudirman, Palembang, South Sumatra 30126. This company is engaged in manufacturing and distributing drugs through the establishment of pharmacies.

In order for the discussion to be more directed, the author considers it necessary to discuss the material of the discussion at PT.Kimia Farma (tbk) in the analysis of financial statements consisting of balance sheet and profit and loss statement by using analytical tools in the form of ratios, among others, liquidity ratios, solvency ratios, activity ratios and Profitability Ratios.

In this study, the author uses descriptive qualitative research methods, namely research conducted to understand a phenomenon in depth with the researcher as the main instrument. Data collection methods in qualitative research there are two main ones, namely observation and interview.

Observation is paying accurate attention to objects, noting emerging phenomena and considering the relationships between aspects in those phenomena. Meanwhile, an interview is a conversation or question and answer directed at achieving a specific goal. This method is chosen if the researcher wants to obtain information to individuals regarding the topic under study, and intends to explore the issue.

Data sources used in this study are:

1. Primary Data types and Data sources

The method used to collect primary data is:

a) Observation (Observation)

That is, by careful and systematic observation and direct recording of the object of study to obtain data and facts about the actual situation.

b) interview (Interview)

That is by doing a question and answer directly with the leadership or employees who can be considered to be able to provide the information needed in connection with the research conducted, in order to obtain data as a support.

2. Secondary Data types and Data sources

In this study is the financial statements of PT. Kimia Farma related to financial performance activities in the company to be studied.

Analytical techniques to analyze data and interpret the data there are two kinds, namely the first with Historical Approach or approach based on the time of a particular year with the previous year and the second with industrial Ratio approach, namely by comparing the ratio of the company's ratio with some of the same company (industry).

As in this study the authors used ratio analysis by comparing the ratio now (present ratio) with the ratio of the ratio of the past (ratio historis). By comparing it can be seen changes perubahan of the ratio from year to year. Ratio to be used in writing the thesis consists of :

Liquidity Ratio

$$a. \text{ Current Ratio} = \frac{\text{Aktiva lancar}}{\text{Hutang Lancar}} \times 100\%$$

$$b. \text{ Quick Ratio} = \frac{\text{Aktiva Lancar-Persediaan}}{\text{Hutang Lancar}} 100\%$$

$$c. \text{ Cash Ratio} = \frac{\text{Kas+Bank+Efek}}{\text{Hutang Lancar}} \times 100\%$$

Solvability Ratio

$$a. \text{ Total Debt to Assets Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

$$b. \text{ Total Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total equity}}$$

$$c. \text{ Long Term Debt to Equity} = \frac{\text{Long term debt}}{\text{Equity}}$$

Activity Ratio

$$\text{Total Assets Turn Over} = \frac{\text{Penerimaan Penjualan}}{\text{Total Harta}} \times 100\%$$

$$\text{Inventory Turnover} = \frac{\text{Harga Pokok Penjualan}}{\text{Inventory Rata-Rata}} \times 100\%$$

$$\text{Inventory Assets Turn Over} = \frac{\text{Penjualan Netto}}{\text{Persediaan}} \times 100\%$$

Profitability Ratio

$$\text{a. Gross Profit Margin} = \frac{\text{Laba Kotor}}{\text{Penjualan}} \times 100\%$$

$$\text{b. Net Profit Margin} = \frac{\text{Laba Bersih}}{\text{Penjualan}} \times 100\%$$

$$\text{c. Return On Assets (ROA)} = \frac{\text{Laba Bersih}}{\text{Jumlah Aktiva}} 100\%$$

RESEARCH RESULT

PT. Kimia Farma is the first pharmaceutical industry company in Indonesia established by the Dutch East Indies government in 1817. The name of the company was originally NV Chemicalien Handle Rathkamp & Co. Based on the policy of nationalization of former Dutch companies in the early days of independence, in 1958, the Government of the Republic of Indonesia merged a number of pharmaceutical companies into PNF (State Pharmaceutical Company) Bhinneka Kimia Farma. Then on August 16, 1971, the legal entity form of PNF was changed to a limited liability company, so the company name changed to PT Kimia Farma (Persero).

On July 4, 2001, PT Kimia Farma (Persero) again changed its status to a public company, PT Kimia Farma (Persero) Tbk, in the next writing called the company. Along with these changes, the company has been listed on The Jakarta Stock Exchange and Surabaya Stock Exchange (now both exchanges have merged and are now named the Indonesia Stock Exchange). Armed with decades of experience, the company has developed into a company with integrated health services in Indonesia. The company increasingly takes into account its work in the development and development of the nation, especially the development of Indonesian public health.

Based on the approval of the Minister of Law and Human Rights of the Republic of Indonesia with His Decree Number AHU-0017895.AH.01.02 of 2020 dated February 28, 2020 and AHU-AH number letter.01.03-0115053 dated February 28 and contained in the deed of minutes of EGMS number 18 dated September 18, 2019, there was a change in the company name from PT Kimia Farma (Persero) Tbk to PT Kimia Farma Tbk, effective as of February 28, 2020

Financial Ratio Analysis Results	2018	2019	2020	2021	2022
LIQUIDITAS RATIO					
CURRENT					
1 RATIO	3,22	1,47	1,16	1,7	10,6
2 QUICK RATIO	2,60	0,62	0,36	0,4	9,08
3 CASH RATIO	0,62	0,41	0,21	0,12	1,52
Financial Ratio Analysis Results	2018	2019	2020	2021	2022
SOLVABILITY/LEVERAGE RATIO					
TOTAL DEBT TO EQUITY					
1 RATIO	0,52	0,56	0,52	0,44	0,44
LONG TERM TO EQUITY					
2 RATIO	0,46	0,40	0,30	0,29	0,29
TOTAL DEBT TO TOTAL					
3 ASSET RATIO	0,34	0,36	0,34	0,31	0,31
Financial Ratio Analysis Results	2018	2019	2020	2021	2022
ACTIVITY RATIO					
TOTAL ASSET TURN OVER	0,52 X	0,52 X	0,57 X	0,49 X	0,48
RECEIVABLE TURN OVER	6,11 X	23,40 X	25,88 X	16,8 X	14,04
INVENTORY TURN OVER	6,11 X	5,79 X	4,97 X	3,67 X	3,59
Financial Ratio Analysis Results	2018	2019	2020	2021	2022
PROFITABILITY RATIO					
GROSS PROFIT MARGIN	37%	37%	37%	37%	36%
NET PROFIT					
2 MARGIN	21,8%	25,8%	25,8%	25%	24%
RETURN ON ASSETS	13,1%	12,4%	14,7%	12%	12%

Liquidity Ratio

This level of liquidity is measured by three ratios, namely Current ratio, Quick ratio and Cash ratio. From the results, it can be seen that these three ratios show that the company is in an overliquid condition, then increases drastically in 2022 to become overliquid, as can be seen from the following table:

Financial Ratio Analysis Results	2018	2019	2020	2021	2022
LIQUIDITY RATIO					
1 CURRENT RATIO	3,22	1,47	1,16	1,7	10,6
2 QUICK RATIO	2,60	0,62	0,36	0,4	9,08
3 CASH RATIO	0,62	0,41	0,21	0,12	1,52

Based on the precautionary principle, the current ratio is quite 2:1 or 200%. Meanwhile, PT. Kimia Farma's Current Ratio was 3.22 : 1 in 2018, which was quite high so it could be said that over liquid decreased again in 2019 by 1.47 : 1 and fell slightly, namely 1.16 : 1 in 2020. It rose to 1.7 in 2021 and increased very large, namely 10.6 or over liquid.

The quick ratio figure shows a trend of increasing then decreasing then increasing significantly in 2022, this shows that there are fluctuations which are also the same as the Current ratio level of increase in the company's inventory buildup and receivables, namely 2.6

in 2018, 0.0.62 in 2019 and decreasing to 0.36 in 2020. In 2021 it shows a slight increase to 0.4 and increases drastically to 9.08 in 2022.

Likewise, looking at the Cash Ratio figure which is quite good with a trend that continues to decline from 2018 to 2021, namely 0.62; 0.41; 0.21.; and 0.12 in 2022 then increasing drastically to 1.52.

Solvability

This Solvency Level is intended to see the company's ability to fulfill all its obligations. The ratios used include the following:

Financial Ratio Analysis Results		2018	2019	2020	2021	2022
SOLVABILITY/LEVERAGE RATIO						
1	TOTAL DEBT TO EQUITY RATIO	0,52	0,56	0,52	0,44	0,44
2	LONG TERM TO EQUITY RATIO	0,46	0,40	0,30	0,29	0,29
3	TOTAL DEBT TO TOTAL ASSET RATIO	0,34	0,36	0,34	0,31	0,31

From these three ratios, it can be seen that the company's solvency ability in fulfilling its obligations or debts, the total debt to equity ratio in 2018 was 0.52, indicating that this company operates quite solvent, that is, its own capital is greater than debt. In 2019 there was an increase in total debt compared to own capital, namely 56% of own capital. Then from 2020; 2021; 2023 there was a decrease in total debt to equity starting from 0.52; 0.44 and 0.44 in 2022. This shows that the company has a fairly good level of solvency. Likewise, long-term debt to own capital is experiencing a downward trend from 2018 to 2022.

Total Debt compared to total Assets also decreased from 2018 to 2019, there was an increase from 0.34 to 0.36, then there was a decrease from 2020; 2021 and 2022, namely from 0.34 to 0.31 in 2022.

Activity Ratio

This ratio measures how many assets are used to obtain company income. The faster or higher the turnover rate, the faster the rate of return on company assets. From the table below it can be seen:

Financial Ratio Analysis Results		2018	2019	2020	2021	2022
ACTIVITY RATIO						
1	TOTAL ASSET TURN OVER	0,52 X	0,52 X	0,57 X	0,49 X	0,48 X
2	RECEIVABLE TURN OVER	6,11 X	23,40 X	25,88 X	16,8 X	14,04 X
3	INVENTORY TURN OVER	6,11 X	5,79 X	4,97 X	3,67 X	3,59 X

The asset turnover ratio (Total Assets Turn Over) looks stable with no decrease from 2018 to 2019, namely from 0.52 times, in 2020 there was an increase to 0.57 times and a decrease to 0.49 times then in 2022 it decreased to 0.48 times

Usually, if there is a decrease or improvement in the activity ratio, this indicates that there is also a change in the company's performance and will also have an impact on changes in the company's profit loss level. Fluctuations in the Receivable Turnover ratio are seen fluctuating from 6.11 times in 2018, rising to 23.4 times in 2019, then rising again to 25.88

times in 2020, then tending to decrease in 2021, namely 16.8 times and 14.4 times in 2022. This decrease in the receivables turnover rate indicates an accumulation of receivables.

The buildup in inventory will be seen from the Inventory Turn Over Ratio, if there is a slowdown in inventory turnover it will have an impact on the company's profit margin or net earning power level as seen in this ratio, namely 6.11 times in 2018, down to 5.79 times in 2019 and 4.97 times in 2020, then down again to 3.67 times in 2021 and 3.59 times in 2022.

Profitability Ratio

The Profitability Ratio is intended to measure how much the company's capital is able to generate profits, where its development can be seen from the following table:

Financial Ratio Analysis Results	2018	2019	2020	2021	2022
PROFITABILITY RATIO					
1 GROSS PROFIT MARGIN	37%	37%	37%	37%	36%
2 NET PROFIT MARGIN	21,8%	25,8%	25,8%	25%	24%
3 RETURN ON ASSETS	13,1%	12,4%	14,7%	12%	12%

The gross profit margin ratio figure shows no change, namely it remains an average of 37%, only in 2022 it will decrease to 36%, while the net profit margin ratio shows that there has been an increase from 21.8% to 25.8% in 2020 and remains at 25.8% in 2020. it will decrease to 25% and 24% in 2022.

Significant changes occurred in the Net earning power ratio, there were fluctuations in decreases and increases, namely 13.1% in 2018, down to 12.4% in 2019 and rose again to 14.7% in 2020, then fell to 12% in 2021 and 2022.

CONCLUSION

Based on the results of the analysis can be drawn several conclusions, namely :

1. Based on the principle of prudence Current ratio enough 2 :1 or 200% while PT. Kimia Farma's Current ratio of 3.22 : 1 in 2018 is quite high so it can be said that over liquid decreased again in 2019 by 1.47 : 1 and decreased slightly, namely 1.16: 1 in 2020.it rose to 1.7 :1 in 2021 and increased enormously by 10.6 :1 or over liquid..
2. That the solvency of the company in fulfilling its obligations or debts,the total debt to equity ratio in 2018 of 0.52 indicates that the company is operating quite solvent, that is, its own capital is greater than debt. In 2019, there was an increase in total debt compared to own capital, which amounted to 56% of own capital.then from 2020;2021;2023 there was a decrease in total debt to equity starting from 0.52; 0.44 and 0.44 in 2022
3. There is a slowdown in the performance or activity of the company in turnover usually if there is a decrease or good in the ratio of this activity ratio, it shows that there are also changes in the company's performance and will also have an impact on changes in the company's profit loss rate.
4. Fluctuations in the ratio of Receivable turn over were seen to fluctuate from 6.11 times in 2018 to 23.4 times in 2019 and then rose again to 25.88 times in 2020 and then tended to decrease in 2021, namely 16.8 times and 14.4 times in 2022. Decrease in the rate of turnover of receivables indicates a buildup in receivables
5. The buildup in inventory will be seen from the Inventory turn Over Ratio, if there is a slowdown in inventory turnover , it will have an impact on the company's profit margin or net earning power level as seen in this Ratio, which is 6.11 times in 2018, down to 5.79

times in 2019 and 4.97 times in 2020, then down again to 3.67 times in 2021 and 3.59 times in 2022.

6. Due to the buildup in inventory, the company's Earning power level decreased from 13.1% in 2018 to 12.4% in 2019, but there was an improvement again in 2020, which was 14.7% and then decreased to 12% in 2021 and 2022.

Suggestions that can be given include the following :

1. The company should improve the rate of Receivable turn over by improving the policy on the company's receivables.
2. The accumulation of inventories incurred in 2021 and 2023, in the event of an inventory increase, this indicates a slow performance of the sales department or the need for synchronization between the production and sales departments so that there is no over product

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