

Analysis Comparisomal of Financial Performance on Basic Chemical Sub Sector Manufacturing Company before and During Pandemic Covid 19 Registered Indonesia Stock Exchange Period 2019-2020

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Abstract

The study was to find out the different financial performance of Manufacturing Companies in the Basic Chemical Sub Sector before and after the Covid 19 Pandemic in 2019 between 2020. Financial performance in this study uses the profitability ratio, liquidity ratio, solvency ratio, activity ratio, and market value ratios. The population in this study was 12 Manufacturing Companies in the Basic Chemical Sub Sector and the sample was 12 Manufacturing Companies in the Basic Chemical Sub Sector with two years of observation from 2019 until 2020 period. Technique collection data uses library research and indirect observation which can be accessed on the site www.idx.co.id. The analytical technique used in this study is descriptive statistics, normality test method (Kolmogorov-Smirnov), parametric test (Paired sample t-test), and nonparametric test (Wilcoxon signed test). The result of this study showed that return on equity there was no significant difference before and after Covid 19 Pandemic, debt to assets ratio has been significant difference before and after Covid 19 Pandemic, debt to equity ratio there was no significant difference before and after Covid 19 Pandemic, a working capital turnover there was no significant difference before and after Covid 19 Pandemic, total assets turnover has been significant difference before and after Covid 19 Pandemic.

Keywords

financial performance; covid 19 pandemic; return on equity; current ratio; debt to assets ratio; debt to equity ratio



I. Introduction

At the beginning of 2020, Covid 19 spread to almost all countries including Indonesia. The increase in the spread of Covid 19 continues to occur, resulting in uncertainty in the pace of the global economy. Indonesia's economic growth in 2020 experienced a slowdown at 4.8% of the Gross Domestic Product. Since its appearance at the end of 2019, the impact of the Coronavirus has begun to be felt in the country. The COVID-19 pandemic has impacted various types of sectors, not only the health sector but also the financial sector.

The impact on the financial sector will certainly be felt in the lower to upper middle-class businesses. Especially for Basic Chemical Sub-Sector Manufacturing Companies listed on the Indonesia Stock Exchange. The development of the company is seen from the results of the company's financial performance. At the time of Covid 19, it also affected the company's financial health. Therefore, companies need objective and precise benchmarks. Objectives can be done by comparing financial performance before and during the Covid 19 Pandemic. It is hoped that it can provide usefulness for all parties as material or input

for further research and so that it can be further developed, especially about the Financial Performance of Manufacturing Companies in the Basic Chemicals Sub-Sector.

The company was founded to maximize company value, maximize profits, and create prosperity for stakeholders (Kasmir, 2017). The success of the company is an important thing that must be known to make decisions for both internal and external parties. Financial performance is closely related to the company's financial measurement and matters that are important because it can help interested parties in determining steps for the future (Efendi et al, 2021)

One of the successes of a company can be seen from its financial performance which shows good conditions. This can be seen when the company succeeds in profiting from its business activities so that it becomes one of the benchmarks for the company's financial performance. The important reason for analyzing financial performance is to identify the company's financial condition, to predict the company's financial difficulties early on, and also to measure the achievements of the company from the decisions taken (Irianto et al., 2021)

Not only for companies, but financial performance is also a serious concern for stakeholders in various businesses because it is oriented to the health and survival of the company (Egbunike, 2021).

Financial performance appraisal is one of the steps taken by the management to fulfill its obligations to the owners of the company. Financial statement analysis is the basis used to determine the company's internal fundamental variables by studying the basics of finance and the company's an economic condition that is reflected in the financial statements. Financial statement analysis is an important aspect of measuring the company's financial condition is carried out by the financial ratio analysis. Ratio an analysis is carried out because it is one of the benchmarks to determine the financial condition of a company based on the items on the balance sheet, profit, and loss, cash flow, changes in capital, and notes to financial statements (Prihadi, 2019).

The outbreak of this virus has an impact of a nation and Globally (Ningrum *et al*, 2020). The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020). Covid 19 pandemic caused all efforts not to be as maximal as expected (Sihombing and Nasib, 2020).

Cases of Coronavirus Disease- 19 (Covid -19) emerged at the end of 2019 in Wuhan City, China. In a short time, Covid - 19 has spread to almost all countries in the world. The fast transmission between humans and the difficulty of detecting people who have been exposed to Covid -19 have led to high cases in the world. And related to this, on March 11, 2020, WHO officially designated Covid -19 as a pandemic. Positive cases in the world have jumped sharply since the first quarter of 2020. Based on data from March 31, 2020, the total number of confirmed positive cases of Covid - 19 was 750,890 people with a total death of 36,405 people spread across 202 countries in the world (Who, 2020) Indonesia is one of the countries exposed to Covid-19 with the first case on March 2, 2020, two Indonesian citizens were confirmed positive. Based on data, the surge in Covid- 19 cases in Indonesia occurred in April 2020 as many as 3,293 cases, 280 died, and 252 recovered from 34 provinces (Who, 2020). To suppress the positive number of Covid - 19, most of the community activities have implemented physical distancing and work from home. These policies have a direct impact on the market, business, and business activities such as the production of goods and services, demand, and problems in the world of work that cause shocks to most industrial sectors in Indonesia.

II. Review of Literature

2.1 Financial Performance

Financial performance is a description of the achievement of the company's success which can be interpreted as the results that have been achieved in various activities carried out (Fahmi, 2012: 2). It can be explained that financial performance is an analysis carried out to see the extent to which a company has implemented it using financial implementation rules properly and correctly. Financial performance can be assessed through various variables sourced from the financial statements of the company concerned.

Signal Theory Signaling theory is used to explain that basic financial statements are used by companies to provide positive or negative signals to users (Sulistyanto, 2008). So that this information becomes an important factor for investors because the information states the current condition of the company. Investors' responses to positive and negative signals can influence investors' decisions to invest and market conditions. The correlation between signal theory and this research is that the information submitted by the company in the form of financial statements can be a signal for investors. When there is a change in the company's financial condition due to an event that can affect the performance of a company. Changes in company performance can be a positive or negative view of the company. Because the company's performance can affect the company itself which can harm shareholders. Coronavirus Disease 19 (Covid-19) Coronavirus is a type of virus that causes inflammation of the lungs that can occur in humans and animals. This virus can cause infections of the respiratory tract. Symptoms range from the common cold to serious. This virus is a new type that was first felt by Chinese citizens, precisely in the capital city of Hubei Province, China. The World Health Organization (WHO) named the new virus severe acute respiratory syndrome coronavirus-2 (SARS-CoV-2) and the name of the disease as Coronavirus disease 2019 or Covid-19 (Kemenkes, 2020). The Effect of the Covid-19 Pandemic on Companies The Covid-19 pandemic has had a major impact on the economic and social fields in the world, including Indonesia. Until almost all industrial sectors have felt the impact of the Covid-19 pandemic. This is due to the impact that has occurred on economic problems due to the Covid-19 pandemic. In line with the increase in the Covid-19 outbreak, the number of employees who have been laid off and even laid off is also increasing (Ratih, 2021). In addition, the Covid-19 pandemic has caused a decrease in foreign demand by 30% to 40% and caused storage warehouses to accumulate so that companies reduce the supply of raw materials (Ferriswara et al., 2020). In addition, since the Covid-19 pandemic has triggered restrictions on socio-economic activities so that infrastructure projects have been delayed. One of them is in the form of obstacles related to the limited distribution of building materials since the PSBB policy was implemented (Listyaningsih et al., 2020). And the impact felt due to the Covid-19 pandemic, namely a change in trade patterns such as consumer demand for goods related to infection prevention tends to increase, while consumer interest in other goods decreases (Sultan, 2021). Financial performance Financial performance is an analysis carried out to determine the extent to which the company has properly implemented the financial implementation rules correctly (Irianto, 2021). The financial performance of a company can be seen when the company issues the company's financial statements. Based on the report, it is known how the results obtained by the company for the decisions that have been made. Financial performance is one of the factors seen by potential investors to determine and find stock investments (Mughtar, 2021). Based on the definition of financial performance, it can be concluded that financial performance is

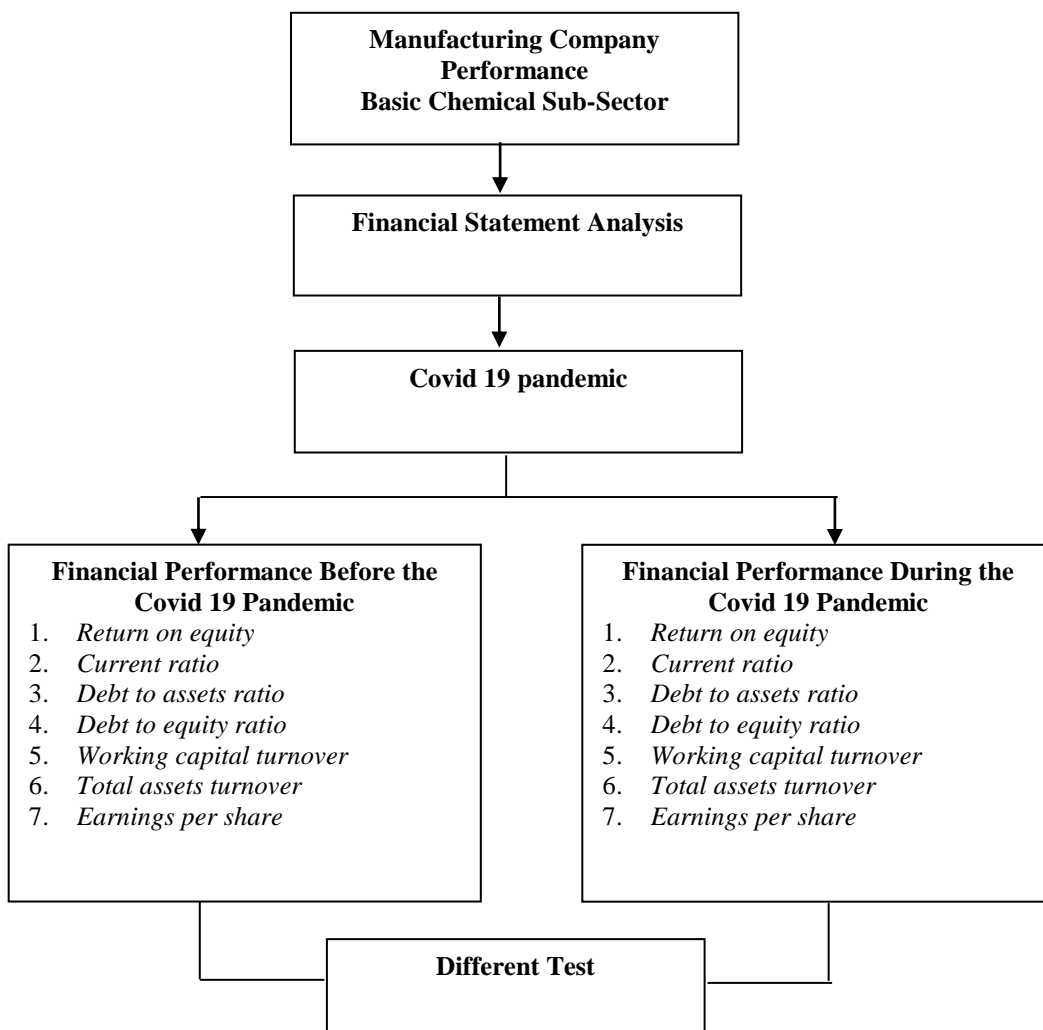
the result achieved by the company from the management carried out in a period based on the decisions made that can reflect the company's health condition. Financial statements In analyzing financial performance, the first thing that must be owned is information about a company's finances. The company's financial information can generally be seen in the company's financial statements. Financial statements are information that describes the state of a company, which then becomes information about the company's performance (Fahmi, 2012). Financial statements are the result of recording all kinds of activities that can affect the company's financial condition, such as sales

2.2 Financial Statements

Financial statements are a description that can provide information about the financial condition achieved by the company. Financial statements (financial statements) are the final result of the accounting cycle (bookkeeping cycle) which reflects the company's financial condition and the company's operating results.

2.3 Conceptual Framework

The conceptual framework according to Sugiyono (2014:128) states that the conceptual framework will theoretically link the research variables, namely between the independent variable and the dependent variable.



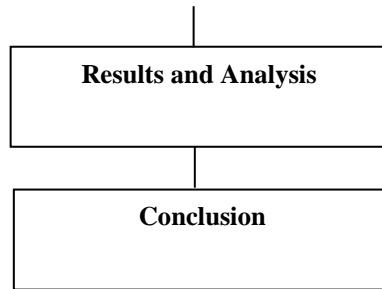


Figure 1. Conceptual Framework

III. Research Method

3.1 Research Types and Approach

The type of research used in this research is quantitative research with a descriptive approach. This study uses a descriptive approach to describe the object of research or research results.

3.2 Population and Sample

According to Sugiyono (2013:389) defines population as a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population of this research is 12 companies.

The sample was selected through the purposive sampling method, namely the sampling was not carried out at random but the sample selection was sourced from certain standards that met the appropriate criteria, namely 12 companies, with the following criteria:

- Companies listed on the Indonesia Stock Exchange in the Basic Chemical Sub-Sector Manufacturing Companies group.
- Companies listed on the Indonesia Stock Exchange for the 2019-2020 period in the Basic Chemical Sub-Sector Manufacturing Companies group.
- Basic Chemical Sub-Sector Manufacturing Company by delivering complete financial report information for the 2019-2020 period.

Table 1. Manufacturing Company Sample Basic Chemical Sub-Sector 2019-2020 period

No	Issuer Code	Company	Criteria			Information
			a	b	c	
1	AGII	PT Aneka Gas Industri, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S1
2	BRPT	PT Barito Pacific, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S2
3	BUDI	PT Budi Starch & Sweetener, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S3
4	SRSN	PT Indo Acidatama, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S4
5	EKAD	PT Ekadharma International, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S5
6	INCH	PT Intan Wijaya International, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S6
7	MDKI	PT Emdeki Utama, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S7
8	MOLI	PT Madusari Murni Indah, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S8
9	TPIA	PT Chandra Asri Petro Chemical, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S9
10	UNIC	PT Unggul Indah Cahaya, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S10
11	ADMG	PT Polychem Indonesia, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S11
12	DPNS	PT Duta Pertiwi Nusantara, Tbk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S12

Source: Data Processed by the Author, 2022

3.3. Data Analysis Technique

The analysis technique used in this study used descriptive statistics, normality test (Kolmogorov-Smirnov), parametric test (Paired sample t-test), and different test (Wilcoxon signed test).

IV. Results and Discussion

4.1 Research Result

Table 2. Kolmogrov-Smirnov Test before the Covid 19 Pandemic

		ROE	CR	DAR	DER	WCT	TATTOO	EPS
N		12	12	12	12	12	12	12
Normal Parameters, b	mean	3.7917	471,250	44.25	60,000	36.7367	173.439	36.2950
	Std. Deviation	7.9471	572,663	33.4966	52.773	117,567	132,688	105.598
Most Extreme Differences	Absolute	.256	.293	.186	.246	.510	.152	.476
	Positive	.224	.293	.186	.246	.510	.152	.476
	negative	-.256	-.252	-.160	-.177	-.378	-.127	-.310
Test Statistics		.256	.293	.186	.246	.510	.152	.476
asymp. Sig. (2-tailed)		.029	.005	.200	.043	.000	.200	.000

Source: SPSS 25, 2022 . Output Data

Based on Tables 2 the Kolmogrov-Smirnov test before the Covid-19 pandemic, it can be seen that the ROE, CR, DER, WCT, and EPS ratios are below 5% or 0.05 significance. Thus, research data below 5% significance can be declared abnormal so that for hypothesis testing using the Wilcoxon signed test. Meanwhile, the ratio of DAR and TATO above 5% significance can be declared normally distributed so that for testing the hypothesis using the Paired sample t-test.

Table 3. Kolmogrov-Smirnov Test At the time Covid 19 pandemic

One-Sample Kolmogorov-Smirnov Test								
		ROE	CR	DAR	DER	WCT	TATTOO	EPS
N		12	12	12	12	12	12	12
Normal Parameters, b	mean	7.1917	2065.00	41,750	59,250	15,208	166.003	-29,463
	Std. Deviation	5.5235	5919.89	30,057	51,730	42.056	129,184	240,252
Most Extreme Differences	Absolute	.218	.493	.188	.258	.448	.149	.459
	Positive	.218	.493	.188	.258	.448	.149	.227
	negative	-.141	-.371	-.145	-.171	-.359	-.132	-.459
Test Statistics		.218	.493	.188	.258	.448	.149	.459
asymp. Sig. (2-tailed)		.119	.000	.200	.026	.000	.200	.000

Source: SPSS 25, 2022 . Output Data

Based on Tables 3, the Kolmogrov-Smirnov . testAt the timeThe Covid 19 pandemic, seen in the ratio of CR, DER, WCT, and EPS below the significance of 5% or 0.05. Thus, research data below 5% significance can be declared abnormal so that for hypothesis testing using the Wilcoxon signed test. Meanwhile, the ratio of ROE, DAR, and TATO above 5% significance can be declared normally distributed so that for testing the hypothesis using the Paired sample t-test.

4.2. Hypothesis Testing

Table 4. Paired sample t-test

Paired Samples Correlations				
		N	Correlation	Sig.
Pair 1	ROEbefore & ROEDuring the Covid 19 Pandemic	12	.546	.066
Pair 2	DARbefore & DARDuring the Covid 19 Pandemic	12	.983	.000
Pair 3	TATTOO before & TATODuring the Covid 19 Pandemic	12	.984	.000

Source: SPSS 25, 2022 . Output Data

Based on Table 4, it can be seen that the Asymp.Sig ($\alpha=0.05$) between before and during the Covid 19 Pandemic on the ROE was 0.066 ($0.066 > 0.05$) which means that there is no difference or normal distribution in the ROE, so it can be concluded that hypothesis 1 (one) is rejected. In the DAR before and during the Covid 19 Pandemic, the significance value was 0.000 ($0.000 < 0.05$), meaning that there was a difference, so it can be concluded that hypothesis 3 (three) was accepted because the data were not normally distributed or there were differences. In TATO before and during the Covid 19 Pandemic, the significance value was 0.000 ($0.000 < 0.05$) meaning that there was a difference, so it can be concluded that hypothesis 6 (six) was accepted because the data were not normally distributed or there were differences.

Table 5. Wilcoxon Signed Test Before and During the Covid 19 Pandemic

	CRbefore – CRDuring the Covid 19 Pandemic	DERbefore – DERDuring the Covid 19 Pandemic	WCTbefore - WCTDuring the Covid 19 Pandemic	EPSbefore – EPSDuring the Covid 19 Pandemic
Z	-1.805	-.513	-1.217	-.078
asyp. Sig. (2-tailed)	.071	.608	.224	.937

Wilcoxon Signed Test

Source: SPSS 25, 2022. Output Data

Based on Table 5, it can be seen that Asymp.Sig ($\alpha=0.05$) between before and during the Covid 19 Pandemic in CR was 0.071 ($0.071 > 0.05$) meaning that there was no difference or normal distribution in CR before and during the Covid Pandemic. 19 for the 2019-2020 period, so it can be concluded that hypothesis 2 (two) is rejected because the data is normally distributed or there is no difference. In the DER before and during the Covid 19 Pandemic for the 2019-2020 period, it was 0.608 ($0.608 > 0.05$), so it can be concluded that hypothesis 4 (four) is rejected because the data is normally distributed or there is no difference. In the WCT before and during the Covid 19 Pandemic for the 2019-2020 period, it was 0.224 ($0.224 > 0.05$), so it can be concluded that hypothesis 5 (five) was rejected because the data were normally distributed or there was no difference.

V. Conclusion

From the research results that have been discussed previously, it can be concluded as follows:

1. Return on equity ratio there is no significant differences/changes before and during the Covid 19 Pandemic in the Basic Chemical Sub-Sector Manufacturing Companies for the 2019-2020 period.
2. Current ratio there are no significant differences/changes before and during the Covid 19 Pandemic in the Basic Chemical Sub-Sector Manufacturing Companies for the 2019-2020 period.
3. Debt to assets ratio there is significant differences/changes before and during the Covid 19 Pandemic in Basic Chemical Sub-Sector Manufacturing Companies for the 2019-2020 period.
4. Debt to equity ratio there are no significant differences/changes before and during the Covid 19 Pandemic in the Basic Chemical Sub-Sector Manufacturing Companies for the 2019-2020 period.
5. Working capital turnover there are no significant differences before and during the Covid 19 Pandemic in the Basic Chemical Sub-Sector Manufacturing Companies for the 2019-2020 period
6. Total assets turnover there are significant differences/changes before and during the Covid 19 Pandemic in Basic Chemical Sub-Sector Manufacturing Companies for the 2019-2020 period.
7. Earnings per share there are no significant differences/changes before and during the Covid 19 Pandemic in Basic Chemical Sub-Sector Manufacturing Companies for the 2019-2020 period.

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