

# *Analysis of Financial Performance Before and After the Pandemic Covid-19*

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The purpose of this study was to analyze the financial performance before and during the Covid-19 pandemic in automotive and component sub-sector companies listed on the Indonesia Stock Exchange. This study uses financial ratio analysis by testing hypotheses using paired sample t-tests and using data collection techniques in the form of financial statement searches and literature studies. The results showed that there were no significant differences in the current ratio and debt-equity ratio between the period before the covid-19 pandemic and during the covid-19 pandemic, there were significant differences in return on assets and total asset turnover between the period before the covid-19 pandemic and during the covid-19 pandemic.

**Keywords:** Covid-19 Pandemic, Current Ratio, Debt Equity Ratio, Return On Assets, Total Asset Turnover

## I. INTRODUCTION

Performance is "the result of an evaluation of the work that has been completed, the results of the work are compared with criteria that have been determined together (Sujarweni 2017: 71)". (1). The success of a company can be seen from the company's performance whether it has been able to create a healthy market or not. The company must also be able to survive in any condition, therefore the profits or profits obtained by the company play an important role because they can be used as a source of financing and maintain the sustainability of the company. (2).

Performance measurement is the process of measuring the success of the public sector in implementing given objectives. The purpose of performance measurement is to better communicate strategy (top-down and bottom-up), measure financial and non-financial performance in a balanced way, track progress in achieving strategy, accommodate understanding of the interests of middle and lower managers, and motivate them to collect based on logical considerations. (Nurafifah, Haliah, & Nirwana).(3).

Sujarweni (2017: 71) revealed that "financial performance measurement can be done using financial statements as a basis for measuring performance". (4). According to Fahmi (2020: 2) "financial statements can also be a reference to see financial conditions can also be used in determining company performance". So financial statements are one of the important pieces of

information in assessing the development of the company by looking at the sales that have been generated by companies that are oriented towards optimal profits. (5).

Kasmir (2017: 68) stated that "the purpose and benefits of financial statement analysis are to assess the company's financial performance". (6). This financial ratio analysis needs to be done by the company because by doing this analysis it will be able to know the company's actual financial condition. This financial ratio is very important for analyzing the company's financial condition (Fahmi 2020: 110). (7). The operational goal of most companies is to optimize profits (Hery, 2012: 3). The company's profit growth is the most important indicator for investors. (8).

However, at this time many investors are withdrawing their capital because the world is faced with the conditions of the Covid-19 pandemic. (9). This research focuses on problems that occur in the automotive sub-sector and components that are under pressure during the COVID-19 pandemic. This study aims to determine whether or not there are significant differences in the financial performance of automotive sub-sector companies and components before and during the Covid-19 pandemic as measured using financial ratio analysis. (10).

### II. RESEARCH METHODS

This paper uses a research method using financial ratio analysis obtained through tracing financial statements in the period before the covid-19 pandemic in 2019 with during the covid-19 pandemic in 2020. Researchers describe the condition of the company by the data and information obtained. This research was conducted to obtain an overview of the company's financial performance before the covid-19 pandemic with the covid-19 pandemic. The data analysis used in this study is to measure the company's financial performance by calculating financial ratios proxied with the current ratio, debt-equity ratio, return on assets, and total asset turnover. Then after that, a hypothesis test was carried out using a paired sample t-test (average difference test) to determine the difference in the company's financial performance before the covid-19 pandemic and during the covid-19 pandemic.

### III. RESULT

Based on the results of the non-parametric Wilcoxon Signed Rank Test analysis test on automotive and component sub-sector companies listed on the Indonesia Stock Exchange before and during the COVID-19 pandemic for the 2019-2020 period, it can be seen that:

#### 1. *Current Ratio*

<b>Asymp. Sig. (2-tailed)</b>	<b>.959</b>
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Based on the SPSS output for the Current Ratio, the probability value or Sig. (2-tailed) is  $0.959 > 0.05$ , so there is no significant difference between the current ratio before the covid-19 pandemic and the current ratio during the covid-19 pandemic.

#### 2. *Debt Equity Ratio*

<b>Asymp. Sig. (2-tailed)</b>	<b>.401</b>
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Based on the SPSS output for the Debt Equity Ratio, the probability value or Sig. (2-tailed) is  $0.401 > 0.05$ , so there is no significant difference between the debt-equity ratio before the covid-19 pandemic and the debt-equity ratio during the covid-19 pandemic

#### 3. *Return On Asset*

<b>Asymp. Sig. (2-tailed)</b>	<b>.047</b>
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Based on the SPSS output for Return On Assets, the probability value or Sig. (2-tailed) is  $0.047 < 0.05$ , so there is a significant difference between the return on assets before the covid-19 pandemic and the return on assets during the covid-19 pandemic.

4. Total Asset Turnover

Asymp. Sig. (2-tailed)	.005
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Based on the SPSS output for Total Asset Turnover, the probability value or Sig. (2-tailed) is  $0.005 < 0.05$ , so there is a significant difference between total asset turnover before the covid-19 pandemic and total asset turnover during the covid-19 pandemic.

IV. DISCUSSION

Based on data in the current ratio calculation table, it shows that the results of companies that have decreased from 2019 to 2020 are 3 (three) companies, while the remaining 7 (seven) companies have increased. This has resulted in the Covid-19 pandemic not having a major impact on automotive and component companies in terms of the current ratio. The decrease in the current ratio is due to the large amount of the company's current liabilities compared to the current assets owned by the company. If the value of current assets owned by the company is lower than current liabilities, it indicates that the company is less able to pay its short-term debts.

Based on the results of the debt-equity ratio calculation, it shows that companies that have decreased by 6 (six) samples of automotive and component sub-sector companies listed on the Indonesia Stock Exchange mean better during the Covid-19 pandemic because the sample company's finances obtained from creditors are lower than their capital. The lower the debt-equity ratio, the better the company's condition, and vice versa, the higher the debt-equity ratio, the worse the company's condition.

Based on data on the calculation of return on assets, it shows that the eight companies sampled in this study experienced a decrease due to companies being less able to manage assets to generate a total net profit.

Based on the calculation of total asset turnover data, it shows that if the total asset turnover is low, the company is categorized as having excess assets because these assets are not used as much as possible to generate sales. The average value of asset turnover owned by automotive companies and components has decreased during the Covid-19 pandemic. This means that one rupiah of assets owned by the company is only able to create half the sales. So from this value, it is clear that many assets are still idle and have no benefits to generate revenue.

V. CONCLUSION

Based on the analysis that has been carried out on 10 automotive and component sub-sector companies before and during the Covid-19 pandemic in the 2019-2020 period on the Indonesia Stock Exchange, it can be concluded that based on statistical results using the non-parametric average difference test Wilcoxon Signet Rank Test obtained the following results:

- a) There is a significant difference between the current ratio before and the current ratio during the Covid-19 pandemic with the GIS value.  $0.959 > 0.05$ .
- b) There is no significant difference between the debt-equity ratio before and debt-equity during the Covid-19 pandemic with the value of SIG.  $0.401 > 0.05$ .
- c) There is a significant difference between the return on assets before and the return on assets during the Covid-19 pandemic with the value of SIG.  $0.047 < 0.05$ .
- d) There is a significant difference between total turnover assets before and total asset turnover during the Covid-19 pandemic with the sig value.  $0.005 < 0.05$ .

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