COMPANY FINANCIAL ANALYSIS M.U.

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Abstract- The purpose of this research is to determine the company's financial performance based on ratios and industry standards. The research method used is descriptive quantitative. The data analysis technique used is to calculate liquidity ratios, debt management ratios, activity ratios, profitability ratios, and then assess financial performance based on industry standards. The results showed that the company's financial performance based on liquidity ratios, debt management ratios, and profitability ratios were not in a good condition because they were below industry standards. However, when viewed from the activity ratio, the company is in a good condition because the ratio value is above the industry standard. Judging from its financial performance, the company must be able to improve management capabilities, in managing and allocating its resources efficiently so that the company's financial performance can be in a safe position.

Keywords: Financial Performance, Financial Ratios

1. INTRODUCTION

Financial analysis is a process of analyzing financial statements with the aim of knowing the company's current financial performance. Companies need to conduct financial analysis in order to compare the condition of the company from the previous year with the current year, whether the company has increased or not, so that the company considers the decisions to be taken for the coming year, according to the company's financial performance. Financial performance is a critical assessment analysis of company finances, to provide solutions in making the right decisions in a certain period. The measure often used in financial analysis is financial ratios.

Financial ratios are the results obtained from the comparison of one amount to another. Financial ratios can be classified into various types, including liquidity ratios, solvency ratios, activity ratios and profitability ratios. The liquidity ratio shows information regarding the company's ability to pay all short-term financial liabilities, at maturity, using available current assets. Profitability ratio, or a ratio that shows a company in generating profit (profit). The activity ratio is a ratio that states the ability of a company to utilize its resources, as well as how the company manages its assets. The solvency ratio (leverage), shows the company's ability to meet long-term obligations.

Rita Satria (2017) conducted research on the analysis of the financial statements of PT. Darma Henwa, Tbk for the period 2012-2016. To determine the proper level of company health, if a company is carried out measurements, or an assessment of the company's performance. In general, the results of the analysis show that the financial condition of PT. Darma Henwa Tbk. When viewed from the industry average, it is still considered good because it is above the industry average, namely the ratio of liquidity and profitability. However, the solvency ratio and the activity ratio are considered poor because the company is below the industry average.

Anto Trianto (2017) conducted research on financial statement analysis as a tool to assess the financial performance of PT. Bukit Asam, Tbk Tanjung Elim. The results of the analysis conducted by the current ratio and quick ratio in 2014, showed that the company's financial condition was quite good. Meanwhile, 2015-2016 shows that the company's financial condition is not good because the ratio is below the industry average. Based on the measurement of the solvency ratio for 2014-2016, it shows that financial conditions are not in good condition because the total debt each year continues to increase. If seen from the profitability ratio, it shows that the company's financial performance is not good because the ratios are not maximized in generating profits..

The two studies above are references for the author in preparing this thesis. The thing that distinguishes this study from previous research lies in the object of research and the period of financial statements. M.U's company is a retail company, with the scope of the company's activities, among others, is engaged in general trading. M.U's company business activities are in the cool trade sector for consumer products. The following table illustrates the financial statement data of M.U's company for the period 2015 - 2019:

Table 1.1 M.U's Company Financial Statements

INFORMATION	2015 (IDR)	2016 (IDR)	2017 (IDR)	2018 (IDR)	2019 (IDR)
SALES	7.171.904	8.493.119	9.767.592	10.701.575	11.625.313
NET PROFIT	140.511	196.043	102.812	159.154	203.070

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TOTAL ASSETS	3.232.642	4.261.283	4.878.115	4.960.145	4.990.309
TOTAL AMOUNT DEBT	2.496.937	3.366.178	3.955.245	3.879.324	3.769.310
EQUITY	735.705	895.105	922.870	1.220.999	1.080.821

Source: Company Data M.U

Based on the table above, it can be seen that sales and total assets continue to increase until 2019, 2017 net profit has decreased and increased again in 2018, total debt has increased until 2017 and decreased in 2018 to 2019 and equity. in 2019 it has decreased. Basically, the numbers above cannot be used as absolute measures to describe the financial performance of a company. Therefore, it is necessary and important to analyze using financial ratios, to measure the company's financial performance, so that more accurate results are obtained. Based on the background of the problems above, the problem formulation in this research is: "How is the financial performance of M.U's company based on financial ratios during the period 2015 - 2019?".

II. RESEARCH METHODS

The type of research used in this research is descriptive research, namely by collecting, classifying, analyzing, and interpreting the data obtained from the company so that it can provide a picture of the real situation (Arikunto 2010: 161). The method used in this study, namely quantitative research methods, using financial ratios, so that it can provide a clear picture of the company's financial performance.

In this research, documentation data was obtained from the company's annual report for the 2015-2019 period available at the company. Then, the researchers studied the literature, reference books, and lecture materials related to the problem under research. The data analysis technique used in this study is to use existing ratios with certain formulas. Furthermore, analyzing financial performance. The stages of data analysis in this research are:

1. Calculating financial ratios with the following formulas:
 - a. Liquidity Ratio
 - 1) Current Ratio
 - 2) Quick Ratio
 - b. Debt Management Ratio (Solvability Ratio)
 - 1) Debt to Assets Ratio (Total Debt to Asset Ratio)
 - 2) Debt to Equity Ratio (Total Debt to Equity Ratio)
 - c. Activity Ratio
 - 1) Fixed assets turnover
 - 2) Total assets turnover
 - d. Profitability Ratio
 - 1) Net Profit Margin
 - 2) Return on Investment (ROI) atau Return on Assets (ROA)
 - 3) Return on Equity (ROE)
2. Conduct analysis of financial ratio calculations and assess the company's financial performance based on industry standards as follows:

Table 2.1
Industry Standard Ratio

Financial Ratios	Industry Standard
Current Ratio	2 kali
Quick Ratio	1,5 kali
Debt to Assets Ratio	35%
Debt to Equity Ratio	90%
Fixed Assets Turnover	5 kali
Total Assets Turnover	2 kali
Net Profit Margin	20%
Return on Assets/Invesments	30%

Return on Equity	40%
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Data Source: Kashmir (2016)

III. DISCUSSION

Table 3.1 Summary Data of Financial Statements

Num ber	INFORMATION	2015 (IDR)	2016 (IDR)	2017 (IDR)	2018 (IDR)	2019 (IDR)
1	Cash	127.934	211.041	229.109	196.898	241.125
2	Inventory	758.064	973.331	1.130.712	1.189.510	1.315.746
3	Total Current Assets	1.301.579	1.720.167	1.970.840	2.174.526	2.255.382
4	Total Fixed Assets	1.054.122	1.428.451	1.625.214	1.598.162	1.558.154
5	Total Asset	3.232.642	4.261.283	4.878.115	4.960.145	4.990.309
6	Total Current Debt	1.642.654	2.245.119	2.732.215	2.959.873	2.898.464
7	Total Debt	2.496.937	3.366.178	3.955.245	3.879.324	3.769.310
8	Equity	735.705	895.105	922.870	1.080.821	1.220.999
9	Sales	7.171.904	8.493.119	9.767.592	10.701.575	11.625.313
11	Net Profit	140.511	196.043	102.812	159.154	203.070

Data source: M.U company

3.1. M.U's Company Financial Performance 2015-2019, Financial Analysis Based on Ratios.

3.1.1. Liquidity Ratio

3.1.1.1. Current Ratio

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Table 3.2 Current Ratio Calculation Results (2015-2019)

Year	Current Asset (IDR)	Current Liabilities (IDR)	Current Ratio (IDR)
2015	1.301.579.	1.642.654.	0,79
2016	1.720.167.	2.245.119.	0,77
2017	1.970.840.	2.732.215.	0,72
2018	2.174.526.	2.959.873.	0,73
2019	2.255.382.	2.898.464.	0,78

Source: Processed Data, 2020

3.1.1.2. Quick Ratio

$$\text{Quick Ratio} = \frac{\text{Current Asset} - \text{inventory}}{\text{Current Liabilities}}$$

Table 3.3 Quick Ratio Calculation Results (2015-2019)

Year	Current Asset (IDR)	Inventory (IDR)	Current Liability (IDR)	Quick Ratio
2015	1.301.579.	758.064.	1.642.654.	0,33

2016	1.720.167.	973.331.	2.245.119.	0,33
2017	1.970.840.	1.130.712.	2.732.215.	0,31
2018	2.174.526.	1.189.510.	2.959.873.	0,33
2019	2.255.382.	1.315.746.	2.898.464.	0,32

Source: Processed Data, 2020

3.1.2. Debt Management Ratio (Solvability Ratio)

3.1.2.1. Debt to Assets Ratio (Total Debt to Assets Ratio)

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

Table 3.4 Calculation Results of Debt on Assets (2015-2019)

Year	Total Debt (IDR)	Total Asset (IDR)	Debt to Assets Ratio
2015	2.496.937.	3.232.642.	77%
2016	3.366.178.	4.261.283.	79%
2017	3.955.245.	4.878.115.	81%
2018	3.879.324.	4.960.145.	78%
2019	3.769.310.	4.990.309.	76%

Source: Processed Data, 2020

3.1.2.2. Debt to Equity Ratio (Total Debt to Equity Ratio)

$$\text{Debt to Equity Ratio} = \frac{\text{Total liabilities}}{\text{Total Equity}}$$

Table 3.5 Calculation Results of Debt on Equity (2015-2019)

Year	Total Debt (IDR)	Equity (IDR)	Debt to Equity Ratio
2015	2.496.937.	735.705.	339%
2016	3.366.178.	895.105.	376%
2017	3.955.245.	922.870.	429%
2018	3.879.324.	1.080.821.	359%
2019	3.769.310.	1.220.999.	309%

Source: Processed Data, 2020

3.1.3. Activity Ratio

3.1.3.1. Fixed Assets Turnover

$$\text{Fixed Assets Turnover} = \frac{\text{Sales}}{\text{Total Fixed Assets}}$$

Table 3.6 Results of Fixed Assets Turnover (2015-2019)

Year	Sales (IDR)	Fixed Asset (IDR)	Fixed Assets Turnover Ratio
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2015	7.171.904.	1.054.122.	6,80%
2016	8.493.119.	1.428.451.	5,95%
2017	9.767.592.	1.625.214.	6,01%
2018	10.701.575.	1.598.162.	6,70%
2019	11.625.313.	1.558.154.	7,46%

Source: Processed Data, 2020

3.1.3.2. Total Assets Turnover

$$\text{Total Assets Turnover} = \frac{\text{Sales}}{\text{Total Assets}}$$

Table 3.7 Calculation Results of Total Asset Turnover (2015-2019)

Year	Total Sales	Total Assets	Total Assets Turnover Ratio
2015	7.171.904.	3.232.642.	2,22%
2016	8.493.119.	4.261.283.	1,99%
2017	9.767.592.	4.878.115.	2%
2018	10.701.575.	4.960.145.	2,16%
2019	11.625.313.	4.990.309.	2,33%

Source: Processed Data, 2020

3.1.4. Profitability Ratio

3.1.4.1. Net Profit Margin

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}}$$

Table 3.8 Calculation Results of Net Profit Margin (2015-2019)

Year	Net Profit (IDR)	Sales (IDR)	Net Profit Margin Ratio
2015	140.511.	7.171.904.	2%
2016	196.043.	8.493.119	2%
2017	102.812.	9.767.592.	1%
2018	159.154.	10.701.575.	1%
2019	203.070.	11.625.313.	2%

Source: Processed Data, 2020

Return on Total Assets or ROA (Return on Assets) or ROI (Return on Investment)

$$\text{Return on Investment} = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Table 3.9 Return on Assets (ROA) (2015-2019)

Year	Net Profit	Total Assets	Rasio Return on
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	(IDR)	(IDR)	Assets (ROA)
2015	140.511.	3.232.642.	4%
2016	196.043.	4.261.283.	5%
2017	102.812.	4.878.115.	2%
2018	159.154.	4.960.145.	3%
2019	203.070.	4.990.309.	4%

Source: Processed Data, 2020

3.1.4.2. Return on Equity

$$\text{Return on Equity} = \frac{\text{Net Profit}}{\text{Equity}}$$

Table 3.10 Calculation Results of the Return on Equity Ratio (ROE) (2015-2019)

Year	Net Profit (IDR)	Equity (IDR)	Rasio <i>Return on Equity (ROE)</i>
2015	140.511.	735.705.	19%
2016	196.043.	895.105.	22%
2017	102.812.	922.870.	11%
2018	159.154.	1.080.821.	15%
2019	203.070.	1.220.999.	17%

Source: Processed Data, 2020

Table 3.11
Financial Ratio Calculation Results (2015-2019)

RATIO	Year					Industry Standard
	2015	2016	2017	2018	2019	
Liquidity Ratio						
Current ratio	0,79x	0,77x	0,72x	0,73x	0,78x	2 Times
Quick Ratio	0,33x	0,33x	0,31x	0,33x	0,32x	1,5 Times
Debt Management Ratio (Solvability ratio)						
Debt to assets	77%	79%	81%	78%	76%	35%
Debt to equity	339%	376%	429%	359%	309%	90%
Activity Ratio						
Fixed assets turnover	6,80x	5,95x	6,01x	6,70x	7,46x	5 Times
Total assets turnover	2,22x	1,99x	2x	2,16x	2,33x	2 Times
Rasio Profitabilitas						
Net profit margin	2%	2%	1%	1%	2%	20%

Return on assets	4%	5%	2%	3%	4%	30%
Return on equity	19%	22%	11%	15%	17%	40%

Source: Processed Data, 2020

3.2. Financial Ratio Analysis Results

3.2.1. Rasio Likuiditas

3.2.1.1. Current Ratio

The higher the current ratio, the better the company's performance. The industry standard current ratio is 2 times (Kasmir, 2016: 143). Based on the explanation above, the condition of the company when viewed from the current ratio, is in a bad condition. Due to the company's current ratio for 2015-2019 is still below the industry standard, which is 2 times, and it can also be seen that the company's current debt is too high, where the amount of current debt is greater than the total current assets. It will show that the M.U company is unable to pay its current debt using the company's current assets.

3.2.1.2. Quick Ratio

The ratio that shows the company's ability to meet, or pay its obligations, or current debt (short-term debt) with current assets without taking into account the value of the inventory (inventory). The quick ratio can be used as a better reference because it focuses on assets that are very fluid, which are easily converted into cash. The industry standard quick ratio is 1.5 times (Kasmir, 2016: 143). By looking at the company's quick ratio for 2015-2019, it shows that the company's performance is not good. This is because the company's quick ratio is still below the industry standard average, which is 1.5 times, and it can also be seen that the company's current debt is too high. Therefore, it can be said that the company has not been able to pay its current debt in a short time, regardless of inventory

3.2.2. Debt Management Ratio (Solvability Ratio)

3.2.2.1. Total Debt to Assets Ratio

The debt ratio provides a measure of how much total assets the company owns, which is financed through the use of debt. Debt calculated in this case is all the company's debt, both short and long term. Creditors usually prefer a low debt ratio because the condition of the company is safe (it will not go bankrupt), the level of the ratio is low, so the condition of the company is safe. In general, the industry standard debt ratio is 35% (Kasmir, 2016: 143). Based on the results above, it can be concluded that the debt ratio of M.U's company for the 2015-2019 period is above the industry standard average, or in other words, the company's performance is not good. However, even though the company's ratio is too high, it can be seen that the company's total assets are still able to guarantee the company's debt.

3.2.2.2. Total Debt to Equity Ratio

Debt to equity ratio shows how big the level of use of own capital to debt, or liabilities. A high ratio will indicate a low proportion of own capital, for debt or in other words, the greater the ratio the more unfavorable the ratio will be because the greater the risk for failure that may occur. In general, the debt equity industry standard is 90% (Kasmir, 2016: 143). By looking at the company's debt equity ratio for 2015-2019, the condition or financial condition of M.U's company is not good because it is far above the industry standard average, where the company's debt or liability exceeds the company's equity. Even though in 2017-2019, the amount of debt always decreased and equity always increased. However, the amount of equity held is not sufficient to pay off debts or company obligations.

3.2.3. Activity Ratio

3.2.3.1. Total Assets Turnover

Total Asset Turnover shows how much the company has made sales using all of its assets. This ratio provides information on how much each asset contributes to creating sales. If the turnover is slow, this indicates that the assets held are too large compared to the ability to sell. In general, the industry standard of total asset turnover is 2 times (Kasmir, 2016: 143). Based on the explanation above the total asset turnover of M.U's company as a whole is in good shape because it has reached industry standards. Even though in 2016 the turnover was below the industry standard, it is still considered good because it is not far below the standard.

3.2.3.2. Fixed Assets Turnover

The ratio measures the extent to which the company's ability to generate sales, based on the company's fixed assets. In general, the industry standard of fixed asset turnover is 5 times (Kasmir, 2016: 143). The fixed asset turnover value of M.U's company in 2015-2019 is in good condition because turnover has reached industry standards. This indicates that the company is quite effective in using its fixed assets to become productive assets to generate sales.

3.2.4. Profitability Ratio

3.2.4.1. Net Profit Margin

The net profit ratio is used to measure the amount of net profit achieved from sales. In general, the industry standard of net profit margin is 20%. From the results of the analysis above, it is known that the value of the net profit margin for 2015-2019 of the M.U company is below the industry standard, and this can be said that the company's performance is not good because it has not met the industry standard of financial ratios. This is because the company cannot reduce costs, so that the company is unable to maximize the net profit obtained.

3.2.4.2. ROA (Return on Assets) atau ROI (Return on Investment)

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This ratio describes how much net profit is obtained from all assets owned by the company. In general, the industry standard of ROA is 30%. From the results of the discussion, it can be concluded that the value of the ROA ratio in the M.U company in 2015-2019 tends to fluctuate, and it can be seen that the company's ROA ratio value is below the industry standard average. This also indicates that the company's ability to generate net income from its total assets is still low.

3.2.4.3. Return on Equity

The return on capital ratio, or equity, is the ratio that links net income to the capital used for business operations, to show the level of profit, or profit obtained from capital. In general, the industry standard of ROE is 30%. This figure shows that every rupiah of capital owned by the company can generate profits, or a net profit of 19% in 2015, 22% in 2016, 11% in 2017, 15% in 2018, and 17% in 2019. Based on the explanation above, it can be seen that the ratio of returns on company equity in 2015-2019 tends to fluctuate. It can be seen that the ratio value is below the industry standard. This means that the company's performance can be said to be not good because the company in generating its net profit from its capital is still said to be inadequate.

IV. CONCLUSION

Based on the results of data analysis, as well as M.U's company financial assessment which has been discussed in the previous chapter, the following conclusions can be drawn:

1. Liquidity Ratio

M.U's company financial performance in 2015-2019 based on liquidity ratios using current ratios, and fast ratios are below industry standards. In connection with this it shows that the company's performance is in an unhealthy state. This is because the amount of current debt of the company is greater than the total current assets of the company. This means that the company is unable to pay its short-term obligations.

2. Solvability Ratio

The level of the company's debt management ratio in 2015-2019 shows that the company's financial performance is not good, because the value of the company's debt ratio and debt equity ratio is too high and is far above the industry standard average. This is due to the large debt the company has.

3. Activity Ratio

M.U's corporate financial performance in 2015-2019 based on activity ratios, using FATO (Fixed Assets Turnover) and TATO (Total Assets Turnover) is in a very good condition, because it meets industry standards. And this indicates that the company is very effective in managing fixed assets, and its total assets become productive assets to generate sales.

4. Profitability Ratio

M.U's financial performance in 2015-2019 based on liquidity ratios using Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE) is below industry standards, and it can be said that the company's performance is in poor condition. This is because the company's ability to generate net profit from both its assets and capital is still low.

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