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Comparative Study Of Financial Performance In Indonesian Mining Sector: Pre And During Covid-19

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ABSTRACT

In early March 2020, Indonesia announced its first Covid-19 case, which led to a significant decline across various economic sectors. This study aims to analyze the financial performance of companies in the mining sector from 2019 to 2022, this research can assist companies in evaluating their financial performance and their competitors. It employs a quantitative method using two ratios: liquidity ratios utilizing indicators such as the quick ratio and current ratio, and profitability ratios including the Net profit margin ratio, Return on Assets (ROA), and Return on Equity (ROE). The research findings indicate that Covid-19 did have an impact, although not significant. There were observed variations in both decreases and increases in liquidity and profitability ratios among different companies.

Comparative Study, Financial Performance, Liquidity Ratio, Profitability Ratio

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INTRODUCTION

The corona virus or covid-19 comes from Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), first identified when there were reports of pneumonia cases in Wuhan, China, China. The most common symptoms in patients affected by SARS-CoV-2 are fever, cough and myalgia or fatigue and there are also less common symptoms such as sputum production, headache, hemoptysis, diarrhea and shortness of breath. The patient who had fatal pneumonia was referred to a hospital in Wuhan, China on January 2, 2020 and developed Acute Respiratory Distress Syndrome (ARDS) died after 2 days which at this stage made the mortality ratio increase as 6 out of 41 patients died.

The death rate continues to increase rapidly because on January 24, 2020 there were 25 fatal cases recorded (Chaolin Huang et al., 2020). The results showed that the spread of the coronavirus came from one human to another which could occur in various environments (Chan et al., 2020). Therefore, the

World Health Organization (WHO) provides lockdown orders or health quarantine aimed at breaking the spread of the corona virus chain.

Based on Law No. 6 of 2018 concerning Health Quarantine states that "health quarantine is an effort to prevent and ward off the exit or entry of diseases and/or risk factors that have the potential to cause emergencies in public health". Indonesia has changed its lockdown policy to Large-Scale Social Restrictions which is implemented regionally, both at the provincial and district/city levels, taking into account the level of spread of COVID-19. PSBB was first carried out in the Special Capital Region (DKI) of Jakarta on April 10, 2020, considering that Jakarta is the main center of the spread of the COVID-19 outbreak (Muhyiddin, 2020). Based on the Presidential Decree of the Republic of Indonesia Number 17 of 2023 concerning the Determination of the End of the Status of the Coronavirus Disease 2019 (Covid-19) Pandemic in Indonesia "declared to have ended on June 21, 2023".

The decision to implement PSBB has an impact on the economic slowdown that occurs in several economic sectors involving contractions in international trade, retail business sectors, manufacturing, investment and increasing open unemployment (Juliannisa et al. 2021). The impact of the coronavirus outbreak caused an economic slowdown of 2.97% (year on year), which contributed to an increase in unemployment by 212. 394 workers experienced layoffs, resulting in reduced economic growth, increased unemployment and potentially adding to the state budget deficit (Indayani et al., 2020).

Due to the implementation of the social distancing, many companies have difficulty maintaining their business existence due to declining demand for metal and mineral production, which has caused a decrease in company revenue (Kojongian et al., 2022). This is very detrimental to the community, because with the increase in company income, the welfare of the community in the mining area as a whole will increase, triggered by the domino effect of the presence of companies that are able to spur and drive various sectors of the community's economy, creating positive impacts in the form of social and public facilities, job opportunities, increasing the income of the community around the mine, and entrepreneurial opportunities (Fitriyanti, 2016).

Table 1.
Percentage of Revenue Development

Company Name	Company Code	2019	2020	2021	2022
PT Aneka Tambang Tbk.	ANTM	-	-16,34%	40,45%	19,46%
PT Cita Mineral Investindo	CITA	-	0,25%	104,44%	64,91%

Company Name	Company Code	2019	2020	2021	2022
Tbk.					
PT Elnusa Tbk.	ELSA	-	11,55%	5,37%	24,36%
PT Ifishdeco Tbk.	IFSH	-	-39,89%	113,01%	169,03%
PT Bukit Asam Tbk.	PTBA	-	-31,82%	-7,38%	-11,91%
PT Radiant Utama Interinsco Tbk.	RUIS	-	1,25%	1,80%	3,67%

Source: Data has been processed by researchers, year 2023.

By referring to the information that has been processed in table 1, it was noted in 2020 that revenue decreased even to the point of touching negative. This needs to be considered because, sales growth can have a positive effect on the level of profitability but not significantly (Tarmizi et al., 2017). Profitability has an important impact on company valuation because high profits reflect the potential sustainability of the company's operations in the future (Denziana et al., 2016). Therefore, it is necessary to know how the company's overall financial performance will be analyzed using liquidity and profitability ratios.

Based on the description above, it is necessary to evaluate the company's financial statements as a tool to make strategic decisions for company management and interested parties. This study was limited to the period of the COVID-19 pandemic.

RESEARCH METHODE

The method used to conduct this research is quantitative, in this study will examine the financial statements of a company by conducting a comparative analysis of financial ratios, which include liquidity ratios and profitability ratios. This ratio analysis finally gives an idea of the company's financial condition. The following is information on companies listed on the Indonesia Stock Exchange (IDX), with a total of 47 companies. The number of companies for this research amounted to 6 out of 47, namely: ANTM, CITA, ELSA, IFSH, PTBA and RUIS. Sample determination in this study was carried out based on several particulars, namely:

1. Mining sector companies listed in Indonesian stocks in 2019-2022
2. Mining sector companies that have financial reports from 2019-2022.
3. Mining sector companies that use rupiah in their financial statements.
4. Mining sector companies that have no losses in the 2019-2022 financial statements

RESULT AND DISCUSSION

Result

Table 2.

Results of financial performance measurement of PT Aneka Tambang Tbk.

Year	Liquidity		Profitability		
	Current Ratio	Quick Ratio	Net Profit Margin (NPM)	Return On Asset (ROA)	Return On Equity (ROE)
2019	144,81%	110,87%	0,59%	0,64%	1,06%
2020	121,11%	86,37%	4,19%	3,61%	6,03%
2021	178,46%	131,36%	4,84%	5,65%	8,93%
2022	195,83%	147,17%	8,31%	11,35%	16,11%

Source: Data has been processed by researchers, year 2023.

Based on the ratio measurement results in table 2, it is known that the financial performance of PT Aneka Tambang Tbk. in the liquidity section can be declared good (>1), in 2020 PT Aneka Tambang had decreased in the current ratio by 23.70%, in 2021 and 2022 PT Aneka Tambang increased by 57.35% and 17.37%. In 2020 PT Aneka Tambang's quick ratio decreased by 24.50% and could be declared illiquid (<1), then in 2021 and 2022 PT Aneka Tambang experienced a significant increase of 44.99% and 15.81% and this increase made the quick ratio liquid again.

Profitability ratios measured through NPM, ROA and ROE. PT Aneka Tambang's NPM levels in 2020, 2021 and 2022 continued to increase by 3.6%, 0.65% and 3.47%. PT Aneka Tambang's ROA rate in 2020, 2021 and 2022 continued to increase by 2.97%, 2.04% and 5.7%. PT Aneka Tambang's ROE rate in 2020, 2021 and 2022 continued to increase by 4.97%, 2.9% and 7.18%.

Table 3.

Results of financial performance measurement of PT Cita Mineral Investindo Tbk.

Year	Liquidity		Profitability		
	Current Ratio	Quick Ratio	Net Profit Margin (NPM)	Return On Asset (ROA)	Return On Equity (ROE)
2019	67,91%	40,81%	16,88%	17,03%	32,65%
2020	209,85%	83,74%	14,95%	15,71%	18,81%
2021	220,82%	124,24%	12,41%	13,19%	15,48%
2022	180,95%	92,90%	13,08%	14,28%	17,39%

Source: Data has been processed by researchers, year 2023.

Based on the ratio measurement results in table 3, it is known that the financial performance of PT Cita Mineral Investindo Tbk. The liquidity ratio measured through the current ratio in 2019 was declared illiquid (<1) and in 2020 and 2021 PT Cita Mineral Investindo increased by 141.94% and 10.97%, but in 2022 PT Cita Mineral Investindo decreased by 39.87%. Similarly, the quick ratio at the same time PT Cita Mineral Investindo experienced growth of 42.93%, and 40.5%, but in 2022 PT Cita Mineral Investindo decreased by 31.34% and was declared illiquid in 2019, 2020 and 2022.

The profitability ratio is measured through NPM, ROA and ROE. In 2020 PT Cita Mineral Investindo's NPM level decreased by 1.93%, in 2021 PT Cita Mineral Investindo decreased by 2.54% and in 2022 PT Cita Mineral Investindo increased by 0.67%. In 2020 PT Cita Mineral Investindo's ROA level decreased by 1.32%, in 2021 PT Cita Mineral Investindo decreased by 2.52% and in 2022 PT Cita Mineral Investindo increased by 1.09%. In 2020 PT Cita Mineral Investindo's ROE decreased by 13.84%, in 2021 PT Cita Mineral Investindo decreased by 3.33% and in 2022 PT Cita Mineral Investindo increased by 1.91%

Table 4.

Results of financial performance measurement of PT Elnusa Tbk.

Year	Liquidity		Profitability		
	Current Ratio	Quick Ratio	Net Profit Margin (NPM)	Return On Asset (ROA)	Return On Equity (ROE)
2019	147,67%	139,16%	4,25%	5,23%	9,96%
2020	163,87%	153,24%	3,22%	3,29%	6,65%
2021	173,61%	161,02%	1,33%	1,50%	2,88%
2022	149,69%	137,52%	3,07%	4,27%	9,18%

Source: Data has been processed by researchers, year 2023.

Based on the ratio measurement results in table 4, it is known that PT Elnusa Tbk.'s financial performance in 2020 the liquidity ratio measured through the current ratio and quick ratio shows a graph that continues to increase by 16.2% and 14.08%, in 2021 by 9.74% and 7.78%, then decreased in 2022 by 23.92% and 23.5%, although the liquidity ratio decreased it was still declared liquid (>1).

The profitability ratio is measured through NPM, ROA and ROE. PT Elnusa's NPM level in 2020 and 2021 decreased by 1.03% and 1.89%, then in 2022 PT Elnusa increased by 1.74%. PT Elnusa's ROA rate in 2020 and 2021 decreased by 1.94% and 1.79%, then in 2020 PT Elnusa increased by 2.77%. PT Elnusa's ROE rate in 2020 and 2021 decreased by 3.31% and 3.77%, then in 2020 PT Elnusa increased by 6.3%.

Table 5.
Results of financial performance measurement of PT Ifishdeco Tbk.

Year	Liquidity		Profitability		
	Current Ratio	Quick Ratio	Net Profit Margin (NPM)	Return On Asset (ROA)	Return On Equity (ROE)
2019	107,18%	33,83%	9%	8,17%	18,83%
2020	127,59%	49,38%	5,92%	2,04%	4,59%
2021	174,77%	90,53%	17,55%	15,77%	24,94%
2022	201,06%	98,16%	21,05%	18,11%	25,41%

Source: Data has been processed by researchers, year 2023.

Based on the ratio measurement results in table 5, it is known that the financial performance of PT Ifishdeco Tbk. in 2020-2022, liquidity ratios measured through the current ratio in 2020, 2021 and 2022 are known to continue to increase by 20.41%, 47.18% and 26.29%. Similarly, the quick ratio experienced growth at the same time of 15.55%, 41.15% and 7.64%, but the quick ratio was declared illiquid even though the graph continued to increase (<1).

The profitability ratio is measured through NPM, ROA and ROE. PT Ifishdeco's NPM level in 2020 decreased by 3.08%, then increased dramatically in 2021 and 2022 by 11.63% and 3.5%. PT Ifishdeco's ROA rate in 2020 decreased by 6.13%, then in 2021 and 2022 PT Ifishdeco increased by 13.73% and 2.34%. PT Ifishdeco's ROE rate in 2020 decreased by 14.24%, then in 2021 and 2022 PT Ifishdeco experienced an increase of 20.35% and 0.47%.

Table 6.
Results of financial performance measurement of PT Bukit Asam Tbk.

Year	Liquidity		Profitability		
	Current Ratio	Quick Ratio	Net Profit Margin (NPM)	Return On Asset (ROA)	Return On Equity (ROE)
2019	248,72%	219,23%	18,54%	15,48%	21,93%
2020	215,99%	195,19%	13,89%	10%	14,21%
2021	242,79%	226,69%	27,46%	22,24%	33,13%
2022	228,29%	192,44%	29,96%	28,17%	44,19%

Source: Data has been processed by researchers, year 2023.

Based on the results of the ratio measurement in table 6, it is known that the financial performance of PT Bukit Asam Tbk. The liquidity ratio measured through the current ratio and quick ratio shows a fluctuating graph because in 2020 the current ratio and quick ratio decreased by 32.73% and 24.04%, then

increased in 2021 by 26.8% and 31.5%, the decline in 2022 decreased by 14.5% and 34.25%, Despite the decline, the liquidity ratio is still declared liquid (>1).

The profitability ratio is measured through NPM, ROA and ROE. In 2020 the NPM level decreased by 4.65%, in 2021 it increased by 13.57% and in 2022 it increased by 2.5%. In 2020 the ROA rate decreased by 5.48%, in 2021 it increased by 12.24% and in 2022 it increased by 5.93%. In 2020 the ROE rate decreased by 7.72%, in 2021 it increased by 18.92% and in 2022 it increased by 11.06%.

Table 7.
Results of financial performance measurement of PT
Radiant Utama Interinsco Tbk.

Year	Liquidity		Profitability			
	Current Ratio	Quick Ratio	Net Profit Margin (NPM)	Return On Asset (ROA)	Return On Equity (ROE)	On
2019	103,44%	100,22%	2,07%	2,64%	7,64%	
2020	106,97%	104,35%	1,70%	2,04%	5,98%	
2021	114,72%	111,89%	1,10%	1,40%	3,72%	
2022	125,86%	123,77%	1,17%	1,58%	3,84%	

Source: Data has been processed by researchers, year 2023.

Based on the ratio measurement results in table 7, it is known that the financial performance of PT Radiant Utama Interinsco Tbk. in 2020-2022, the liquidity ratio is declared liquid (>1). The liquidity ratio measured through the current ratio continues to increase in 2020-2022 by 3.53%, 7.75%, and 11.14%. Similarly, the quick ratio at the same time experienced growth of 4.13%, 7.54% and 11.88%.

The profitability ratio is measured through NPM, ROA and ROE. In 2020 and 2021 PT Radiant Utama Interinsco's NPM level decreased by 0.37% and 0.60%, then in 2022 PT Radiant Utama Interinsco increased by 0.07%. In 2020 and 2021 PT Radiant Utama Interinsco's ROA rate decreased by 0.60% and 0.64%, then in 2022 PT Radiant Utama Interinsco increased by 0.18%. In 2020 and 2021, PT Radiant Utama Interinsco's ROE rate decreased by 1.66% and 2.24%, then in 2022 it increased by 0.12%.

Discussion

Covid-19 creates a varied impact, from the results of research it is proven that financial performance has decreased due to Covid-19. The decline in liquidity ratios during the Covid-19 period is a concern, especially for ANTM and PTBA companies. However, it should be noted that not all companies experience the same impact. Several companies, such as CITA, ELSA, IFSH and

INCO actually showed an increase in liquidity ratios. This success may reflect an effective strategy in managing liquid assets owned during this pandemic period.

In addition to liquidity ratios, the study showed results related to profitability ratios experienced varying results. Mixed results show that some companies, such as CITA, ELSA and RUIS, experienced relatively more moderate declines compared to 2019. However, not all companies experienced a smaller decline in profitability ratios than in 2019 and even experienced drastic increases in 2022 such as ANTM, IFSH, and PTBA managed to increase their profitability despite the decline. This finding is in accordance with previous findings that showed a decrease but no significant difference in the value of mining sector companies (Febriani et al., 2023).

CONCLUSION

The results showed liquidity pressures as a result of economic uncertainty caused by the pandemic. In addition, the decline in profitability ratio also reflects the efforts made by the company to adapt to create maximum profits in difficult conditions. However, there are also companies that are able to increase their increase during the pandemic even greater than before the pandemic even though the company had experienced a decline. Covid-19 has had an impact on companies even though it has proven to be insignificant, as can be seen from the variations in decreases and increases in liquidity ratios and profitability in various companies. Therefore, the impact of covid cannot be completely negative because it does not prove a drastic decline in all companies.

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