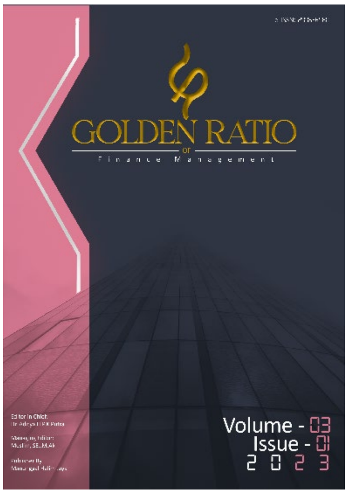
Junaedy & Victor Pattiasina. *Golden Ratio of Finance Management*, Vol.3, Issue. 1 (2023)

https://doi.org/10.52970/grfm.v3i1.311

Website: https://goldenratio.id/index.php/grfm

OPEN ACCESS

ISSN [Online]: 27766780



Received: December 22, 2022
Revised: February 10, 2023
Accepted: March 31, 2023

*Corresponding author: J. Junaedy, Faculty of Economic and Business, Universitas Yapis, Papua, Indonesia

E-mail: junaedyjpr76@gmail.com

FINANCE | RESEARCH ARTICLE

Analysis of Financial Performance at PT Semen Indonesia (Persero), Tbk Listed on the Indonesia Stock Exchange

J. Junaedy[1*], Victor Pattiasina[2]

[1] Department of Accounting, Faculty of Economic, Universitas Yapis, Papua, Indonesia
Email: junaedyjpr76@gmail.com[1], victorpattiasina6@gmail.com[2]

Abstract: This study aims to determine the financial performance of PT Semen Indonesia (Persero), Tbk listed on the Indonesia Stock Exchange (IDX) based on profitability ratios during the 2020-2022 period. The type of data used in this study is quantitative data, namely data in the form of numbers or numbers. Quantitative data serves to determine the number or magnitude of an object to be studied. In this study, the quantitative data is the company's financial statements. The data source used in this research is secondary data, namely all data collected through library research and company data in the form of documents that can support writing. The analysis technique used to determine the company's financial performance in this study is the profitability ratio, namely Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Asset (ROA), and Return on Equity (ROE). The results of this study indicate that in general the company's financial performance based on profitability analysis is not efficient and not good. This is because the level of profitability is not stable so it has decreased for three consecutive years and is still below the industry average. Thus, the company has not been able to manage its capital efficiently in generating profits.

Keywords: Gross Profit Margin (GPM), Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE).

JEL Classification Code: D53, F36, G19

1. Introduction

PT Semen Indonesia (Persero) Tbk, which is one of the state-owned companies (BUMN) engaged in the business of the largest cement manufacturing industry in Indonesia which provides cement sales and supply services. The need for cement in certain markets makes PT Semen Indonesia (Persero) Tbk, must work with efficient conditions to continue to maintain ideal conditions to exist in the business world. In the current era of globalization, the company's ability to face competition is greatly influenced by the condition of each company. Healthy companies will be able to face competition with other companies with similar business commodities, while companies that are less healthy or unhealthy will have difficulty in facing competition.

One of the performance indicators used by PT Semen Indonesia (Persero) Tbk, to determine the level of efficiency, namely financial ratios. Broadly speaking, there are four ratios, namely the liquidity ratio, activity ratio, leverage ratio and profitability ratio. This ratio is a measuring tool to determine the financial performance of a company by analyzing financial statements. The most important factor to be able to see the efficiency of the company lies in its financial elements, because from these elements it can also evaluate whether the policies pursued by a company are appropriate or not, considering the complexity of the problems that can cause bankruptcy due to the many companies that eventually go out of business due to inefficient financial performance. In analyzing the company's financial performance, a manager must be able to understand the financial condition of his company, because basically the financial condition will affect the survival of the company. One of the tools used to determine the company's financial condition in this case the level of efficiency of a company is in the form of financial statements prepared at the end of each period which contains financial

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

accountability for the running of a business. Financial reports are the result of an accounting process that can be used as a means of communicating between financial data or activities of a company and other parties with an interest in that data or activity.

The financial data in question is data reflected in a financial report, which provides an overview of the finances of a company consisting of a balance sheet, income statement, statement of changes in capital and cash flow. Of the four reports can be summarized into two types, namely the balance sheet and income statement only. This is because the report on changes in capital and cash flow will eventually be summarized in the balance sheet and income statement. The financial statements in the form of a balance sheet are used as a tool to find out the most actual duties of the financial manager, where the balance sheet reflects the company's financial position, so that the financial manager must monitor the balance sheet and find the problems faced, then try to solve them so that the overall company objectives will be achieved. The financial statements in the form of profit and loss are used as a tool to determine the form or results of financial management tasks that reflect the actual value of the income earned by the company during the accounting period of a year.

The financial manager is the person most responsible for the company's financial performance, which stems from the duties of the financial manager specifically three, namely recognizing and planning company spending, managing capital investment in assets, and managing the financial structure and capital structure of the company. The description can be underlined, that financial performance is the result of the performance of financial managers in managing company finances which is reflected in the company's report in the form of a balance sheet, which reflects the company's financial position during the accounting period of one year. To find out the financial performance of PT Semen Indonesia (Persero) Tbk, then in this proposal the researcher took the title "Financial Performance Analysis at PT Semen Indonesia (Persero) Tbk, which is listed on the Indonesia Stock Exchange (IDX)".

2. Literature Review and Hypothesis Development

2.1. Financial Management

Financial management is all company activities related to how to obtain, use and manage company finances to achieve the company's main objectives (Iskandar, 2019). Financial management is an important thing to apply to the company. This is because finance is one of the strong foundations for the growth and development of the company. Finance can also be interpreted as a risky thing in a company. Therefore, finance must be managed properly by a financial manager (Indrawati, 2019). Efficient financial management requires goals and objectives that are used as standards in providing an assessment of the efficiency of financial decisions (Sudana, 2019). To be able to make the right financial decisions, financial managers need to determine the goals that must be achieved. The right decision is one that will help achieve those goals. Normatively, the purpose of financial decisions is to maximize company value because it can increase the prosperity of company owners (shareholders) (Vahlia & Lelawati, 2019). According to Horne and Wachowicz Jr. (2012) in Niati et al. (2019) regarding management objectives is the same as the company's objectives, namely maximizing the welfare of current company owners. So, it can be concluded that the purpose of financial management carried out by financial managers is to plan to obtain and use funds to maximize company value. According to Horne and Wachowicz, Jr (2012) there are three functions of financial management, namely:

1. Investment decision is an important financial management function in supporting decision making to invest because it concerns obtaining efficient investment, the composition of assets that must be maintained or reduced.
2. The company's dividend policy must also be viewed as an integral part of the company's funding decisions. In principle, the financial management function as a funding decision concerns the decision whether the profit earned by the company should be distributed to shareholders or retained for future investment financing.

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

3. Asset management decisions are financial management functions that concern decisions on the allocation of funds or assets, the composition of sources of funds that must be maintained and the use of capital both from within the company and outside the company that is good for the company.

Financial management has broad employment opportunities because every company needs a financial manager who handles financial functions (Niati et al., 2019). The financial management function is one of the main functions that is very important in the company.

2.2. Financial Report

To discuss financial management, one cannot be separated from financial statements. Therefore, a brief discussion of financial statements is needed (Montoya, 2018). Financial reports are prepared with the intention of providing financial information on a company to interested parties as a consideration in making decisions. According to Muda et al. (2018) financial statements are a very important tool for obtaining information regarding the financial position and results achieved by the company concerned. The financial report is the result of the accounting process which includes two main reports, namely the balance sheet and profit and loss (Umar et al., 2019). Financial reports are prepared with the intention of providing financial information on a company to interested parties as a consideration in making decisions. Financial statements are reports that show the company's financial condition currently or within a certain period (Bahri & Komarudin, 2019). According to the opinion of Cashmere (2012) in Syamsudin et al. (2017) about financial statements is that financial statements describe the company's financial posts obtained in a period. In practice, several types of financial statements are known, such as balance sheets, income statements, statements of changes in capital, notes to financial statements and cash reports. Based on some of these descriptions, it can be concluded that financial reports for companies are information that describes the financial condition of a company and furthermore this information can be used as a description of the company's financial performance (Muda et al., 2018). According to Fraser and Ormiston cited by Muda et al. (2018) said that a company's annual report consists of four main financial statements, namely:

1. Balance Sheet. Shows the financial position (assets, liabilities, and shareholders' equity) of a company at a specific date, such as at the end of a quarter or year-end.
2. Income Statement. Presents the results of operations revenue, expenses, net income or loss and earnings or loss per share for a specific accounting period.
3. Statement of Shareholders' Equity. Reconciles the beginning and ending balances of all accounts in the shareholders' equity section of the balance sheet. Some companies present a statement of retained earnings, often in combination with an income statement that reconciles the beginning and ending balances of the retained earnings account. Companies that choose the latter presentation format will usually present the statement of shareholders' equity as a disclosure in a footnote.
4. Statement of Cash Flows. Provides information on cash inflows and outflows from operating, financing, and investing activities during an accounting period.

In this study itself, the authors used financial statements in the form of balance sheets and income statements. According to Horne and Wachowicz Jr. (2012), a balance sheet is a summary of the company's financial position at a certain date that shows total assets equal to total liabilities plus total owner's equity (Bahri & Komarudin, 2019). From this understanding it can be concluded that the balance sheet is a summary of financial statements. This means that the financial statements are prepared in outline only and not in detail. Then, the balance sheet also shows the financial position in the form of assets (assets), liabilities (debt) and company capital (equity) at a certain time to determine the condition of the company (Syamsudin et al., 2017).

Meanwhile, according to Horne and Wachowicz Jr. the income statement is a summary of the company's income and expenses over a certain period, ending with net income or net loss for a certain period (Umar et al., 2019). It can be explained that the income statement contains the types of

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

revenue earned by the company and the types of costs incurred in the same period. From this amount of revenue and costs there will be a difference if deducted. The difference between the amount of revenue and this cost we call profit (profit) if the amount of revenue is greater than the amount of costs and vice versa the amount of costs is greater than the amount of income then we call it a loss (Bahri & Komarudin, 2019).

2.3. Financial Performance

Financial performance is a description of any economic results that can be achieved by the company during a certain period through the company's activities to generate profits efficiently and effectively which can be measured by analyzing the financial data reflected in the financial statements (Hirdinis, 2019). According to Saemargani & Mustikawati (2015) financial performance is an analysis conducted to see the extent to which a company has carried out using the rules of financial implementation properly and correctly. In general, it can be said, financial performance is an achievement that can be achieved by a company in a certain period that reflects the company's health level (Christine et al., 2019). On the other hand, financial performance describes the strength of a company's financial structure and the extent to which the assets available the company can achieve profits. This is closely related to management's ability to manage resources related to the company effectively and efficiently.

2.4. Financial Ratio Analysis

Financial ratios are analytical tools to explain certain relationships between one element and another in a financial statement (Lubis et al., 2017). According to Subramanyam and Wild (2014) in Masyita & Harahap (2018), financial ratio analysis is part of business analysis of the prospects and risks of change for the benefit of decision making by structuring the analysis task through an evaluation of the company's business environment, its strategy, and its financial position and performance (Mahulae, 2020). The benefits of financial ratio analysis according to Dhani & Utama (2017), namely 1) Financial ratio analysis is very useful to be used as a tool to assess company performance and achievement. 2) Financial ratio analysis is very useful for management as a reference for planning. 3) Financial ratio analysis can be used as a tool to evaluate the condition of a company from a financial perspective. 4) Financial ratio analysis is also useful for creditors; it can be used to estimate the potential risks faced associated with guaranteed continuity of interest payments and repayment of loan principal. 5) Financial ratio analysis can be used as an assessment for shareholders (stakeholders).

Financial ratios are numbers obtained from the comparison of one financial statement item with other items that have a relevant and significant relationship. So that comparative data for financial ratios absolutely exists so that calculations can be made on the selected ratios (Sumanti & Mangantar, 2015). Financial ratio analysis is one way of analyzing financial statements consisting of balance sheet reports (containing information about the position of the company's assets, debts, and capital in a certain period), income statements (containing information on the company's income and costs in a certain period), capital change reports (containing information on the company's capital position), and cash flow reports (containing an increase or decrease in the company's cash value) (Hirdinis, 2019).

The ratios generated from financial statements have a very useful function for decision making, both for company management for company activities, because financial reports can predict the company's current and future conditions, the company's operating results, predict the company's financial difficulties, and other functions (Saemargani & Mustikawati, 2015). From the investor's side in making investment decisions, whether to invest or not. The results of financial ratios are used to assess management performance in a period whether it reaches the target as set (Christine et al., 2019). Then it can also be assessed management's ability to empower company resources effectively. In addition, financial ratios can also be used as an evaluation of things that need to be done in the future so that management performance can be improved or maintained in accordance with company targets (Zuhroh, 2019). Financial ratio analysis will be meaningless if there is no comparative data.

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

Comparative data on financial ratios absolutely exists so that calculations can be made on the selected ratios (Lubis et al., 2017). With comparative data, we can see the difference in the numbers highlighted, whether they have increased or decreased from the previous period. In other words, financial statements have a certain meaning when compared to the previous period.

Based on the subject matter and previous research that has been stated, the hypothesis of this study is "It is suspected that the financial performance of PT Semen Indonesia (Persero) Tbk listed on the Indonesia Stock Exchange (IDX) has met industry ratio standards".

3. Research Method and Materials

The research place used in this research is PT Semen Indonesia (Persero), Tbk which is listed in the Indonesia Stock Exchange Gallery (IDX). The type of data used in this study is quantitative data, namely data in the form of numbers or numbers. Quantitative data serves to determine the number or magnitude of an object to be studied. In this study, the quantitative data is the company's financial statements. The data source used in this research is secondary data, namely all data collected through library research and company data in the form of documents that can support writing.

The data collection method used to obtain the data needed in the preparation of this research is documentation, namely by searching and collecting data from the Indonesia Stock Exchange. The data collected is in the form of company financial statements. The analysis technique used in this research is the profitability ratio. Profitability analysis is also called rentability analysis, which is an analysis that describes the company's ability to earn profits. The ratios used in profitability analysis are:

Table 1: Operasional Variabel

Variables	Indicator	Referensi
Profitability Ratio	Gross Profit Margin = Gross profit: Sales x 100%	(Akbar & Fahmi, 2020; Sumanti & Mangantar, 2015; Zuhroh, 2019)
	Net Profit Margin = Net profit: Sales x 100%	
	Return On Asset (ROA) = Net income: Total assets x 100%	
	Return On Equity (ROE) = Net income: Total equity x 100%	

4. Results and Discussion

4.1. Gross Profit Margin

Gross profit margin, which is a ratio used to calculate the percentage of excess gross profit over sales revenue.

Table 2: Gross Profit Margin of PT Semen Indonesia (Persero), Tbk.

Years	Gross Profit	Sales	GPM (%)
2020	10.645.996.373	26.948.004.471	39.5
2021	9.855.872.448	26.134.306.138	37.7
2022	7.959.598.767	27.813.664.176	28.6

From the calculation results, in 2020, the gross profit margin of PT Semen Indonesia (Persero), Tbk was 39.5%. This means that the company gets gross profit which is 39.5% of total sales. The greater the ratio value, the greater the profitability owned by the company. In 2021, gross profit margin decreased from 39.5% in 2015 to 37.7% in 2021. This means that the company gets a gross profit of 37.7% of total sales which has decreased. In 2022, the gross profit margin decreased again, from 37.7% in 2021 to 28.6% in 2022. This means that the company gets a gross profit whose value is 28.6% of total sales which has decreased.

4.2. Net Profit Margin

Net profit margin, which is a ratio used to measure profit compared to sales volume.

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

Table 3: Net Profit Margin of PT Semen Indonesia (Persero), Tbk.

Years	Net Profit	Sales	NPM (%)
2020	4.525.441.038	26.948.004.471	16.7
2021	4.535.036.823	26.134.306.138	17.3
2022	2.043.025.914	27.813.664.176	7.3

Based on the calculation results, in 2020, the net profit margin of PT Semen Indonesia (Persero), Tbk was 16.7%. This means that the company gets a net profit of 16.7% of total sales. The greater the ratio value, the greater the profitability owned by the company. This means that the greater the net profit earned by the company. In 2021, the net profit margin increased from 16.7% in 2020 to 17.3% in 2021. This means that the company gets a net profit whose value is 17.3% of total sales which has increased. In 2022, the net profit margin decreased from 17.3% in 2021 to 7.3% in 2022. This means that the company gets a net profit whose value is 7.3% of total sales which has decreased.

4.3. Return On Asset (ROA)

Table 4: Return on Asset of PT Semen Indonesia (Persero), Tbk.

Year	Net Profit	Total Assets	ROA (%)
2020	4.525.441.038	38.153.118.932	11.8
2021	4.535.036.823	44.226.895.982	10.2
2022	2.043.025.914	48.963.502.966	4.1

From the calculation results, in 2020, the return on assets of PT Semen Indonesia (Persero), Tbk. was 11.8%. The higher the percentage of this ratio, the better the efficient use of assets to obtain net profits in the company's operational activities. In 2016, return on assets decreased from 11.8% in 2020 to 10.2% in 2021. This means a decrease in the efficient use of assets. In 2022, return on assets decreased from 10.2% in 2021 to 4.1% in 2022. This means that the use of the assets used is less productive for the company.

4.4. Return On Equity (ROE)

Tabel 5: Return on Equity PT Semen Indonesia (Persero), Tbk.

Year	Net Profit	Total Equity	ROE (%)
2020	4.525.441.038	27.440.798.401	16.4
2021	4.535.036.823	30.574.391.457	14.8
2022	2.043.025.914	30.439.052.302	6.7

From the calculation results, in 2020, the return on equity of PT Semen Indonesia (Persero), Tbk. was 16.4%. In other words, the return-on-investment ratio of the company owner is 16.4%. The higher the percentage obtained by the company, the higher the management of the company's capital in getting a return on that capital. In 2021, return on equity decreased from 16.4% in 2020 to 14.8% in 2021. This means that the profit that belongs to the owner of the own capital is 14.8%. In 2022, return on equity experienced a drastic decline from 14.8% in 2021 to 6.7% in 2022. This is due to reduced company income which affects the owner's capital.

4.5. Discussion

Based on the profitability analysis of several financial ratios that have been carried out above, it can be seen how the financial condition of PT Semen Indonesia (Persero), Tbk is as follows:

Gross Profit Margin

Gross profit margin is a financial ratio used by managers to assess the efficiency of the production process of a product sold by the company or more than one product. A business may be more efficient in producing and selling one product than another. Gross profit margin can be calculated for individual products if the business can distinguish the direct costs of producing each product from

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

the others. It is calculated as sales minus all costs directly related to those sales or cost of goods sold (COGS). These costs can include production costs, raw materials, labor, selling, marketing, and other costs.

The cost of goods sold on a company's income statement considers the direct costs of producing their products. Direct costs include those costs that are specifically related to the object of cost, which may be a product, department, or project. The cost of goods sold consists of the direct costs of the company. Only direct costs are considered and not indirect costs. Direct costs are usually variable in nature. These variable costs change with the quantity of products produced. An example is direct labor which includes work done by workers only on specific products. Another direct cost is direct materials which may include raw materials needed to produce the product. Gross profit margin is a financial ratio that managers use to assess efficiency.

Gross profit margin is most easily understood when expressed as a financial ratio, where the cost of goods sold is compared to the company's net sales. Two net sales, taken from the company's income statement, are total sales minus returns. Three costs of goods sold, also taken from the income statement, is the direct cost of producing the company's product or products. Only companies that manufacture their own products have direct costs and, as a result, cost of goods sold on their income statement. Companies that sell services usually have a very low cost of goods sold or no cost of goods sold. Like other financial ratios, gross profit margin is only meaningful comparatively. Financial managers may want to use trend analysis to compare gross profit margin to other time periods or industry analysis to compare it to other similar companies.

Net Profit Margin

Net profit margin is a ratio that compares a company's profit to the total amount of money it makes. It measures how effectively the company operates. If a company has a 20% net profit margin, for example, that means it keeps 2,000 for every 10,000 of sales revenue. This ratio is used to give analysts an idea of a company's financial stability. A company that generates more profit per value of sales is more efficient. That efficiency makes the company more likely to survive when product lines don't meet expectations, or when periods of economic contraction hit the broader economy. Net profit margin can show how well a company converts its sales into profit. In other words, the percentage calculated by the net profit margin equation is the percentage of your revenue that is profit that the company keeps.

Conversely, this ratio also shows the amount of revenue lost through costs and expenses associated with your business. This can help analysts to know if a business should focus on reducing expenses. Both net sales and net income are related to each other, in that expenses can increase prices and decrease sales (depending on your product and audience). It may not always be easy to determine the exact relationship. For example, increasing costs to produce a higher quality product may attract enough customers to increase net sales. On the other hand, increasing costs can also decrease net sales if too much of those costs are passed on to customers in the form of higher prices. If customers decide that the price increase is not worth the higher product quality, revenues will fall.

Debt financing or borrowing money to finance your operations can reduce your net profit margin. If you decide to use debt financing for business, the Company will see an increase in interest costs, which can drive your net profit margin to an undesirable level. However, that doesn't mean that debt financing is the wrong move to make. Determining the quality of net profit margins in a scenario like this often requires a deeper analysis of why debt was acquired, how it was used, and whether the debt-to-asset ratio is healthy. Net profit margin can be used to effectively compare performance over different periods. However, it only reveals reliable results if there are no other changes in expenses.

Net profit divided by net revenue, often expressed as a percentage. This figure is an indication of how effective a company is at cost control. The higher the net profit margin, the more effectively the company converts revenue into actual profit. Net profit margin is a good way to compare companies within the same industry, as those companies are generally subject to similar business conditions. However, net profit margin is also a good way to compare companies in different industries to gauge which industries are relatively more profitable. It can also be called net margin.

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

Return On Asset

Calculating return on assets is useful for calculating the level of efficiency of the turnover of money used to buy assets that become net income. Return of assets (ROA) is a measure of the profit that can be obtained from a business. This can also be calculated from the ROA formula. By knowing the ROA of a company, the operational journey that runs can be addressed to increase the opportunity to get a return on investment. Often a company is too focused on profit margins without calculating ROA correctly. Whereas ROA itself will help to estimate the development and ability of the company. Financial management needs to know the money that must be invested to be able to achieve targets on sales and profit margins. There is a business expert who considers ROA as money or assets that lead to the purchase of assets, assets, capital, and investment costs. ROA is an abbreviation of Return on Assets; in Indonesian it can be interpreted as a way or rate of return on assets. An expert named Mardiyanto said that ROA is a ratio used to measure the company's ability to generate profits because the ratio represents all activities in the company. Simply put, ROA is a ratio that shows the ratio of net profit generated in the company to the capital that has been invested in an asset. For example, to be able to sell fried rice on the streets, we need a fried rice cart. Now this ROA is a comparison of the profit we get from selling fried rice with the money we have spent to buy a fried rice cart.

Another economist named Hery said that the higher the return on assets means the higher the amount of net profit generated on every rupiah of funds embedded in total assets. So, for an entrepreneur who wants to succeed, he will pursue the highest ROA possible. If the ROA is low, it means that the merchant company will be less productive. ROA will show the amount of money owned per asset. So, a higher return on assets will show that the business is more profitable and efficient. Return on assets should not be compared across industries. Companies within different industries vary greatly on the use of their assets. For example, some industries may require expensive plant, property, and equipment to generate revenue compared to companies in other industries. These companies may naturally report lower returns on assets when compared to companies that do not require as many assets to operate. Therefore, return on assets can only be used to compare with companies in the same industry.

ROA can be used to measure how asset intensive a company is. The lower the return on assets, the more asset intensive the company is. An example of an asset-intensive company is an airline. The higher the return on assets, the less asset intensive the company is. An example of an asset-light company is a software company. As a rule, returns on assets below 5% are considered an asset-intensive business while returns on assets above 20% are considered an asset-light business. ROA has main things that can affect ROA, namely net profit margin and total asset turnover because if ROA is low, it can also be caused by low profit margin which in turn results in low net profit margin and is caused by the lack of total asset turnover. The amount of ROA is also influenced by two factors. First, there is the level of asset turnover that is utilized from an operating profit. Second, the profit margin is recorded as a percentage and the amount of net sales. The profit margin will measure the level of profit earned by the company which is then linked to the level of sales. While profitability is a ratio that can assess the company's ability to earn profits, ROA is one of the profitability ratios.

Return On Equity

For information, net profit after tax is also referred to as profit for the year in financial statements. Total equity is the overall capital owned by the company. ROE is used to measure the ability of a company to generate net profit after tax in utilizing its capital. The higher the ROE value, the better the performance in generating net profit after tax. So that ROE can show how much profit is generated by the company from each rupiah invested by shareholders. ROE can also be used as a measure of management effectiveness in using equity costs for operating activities and company development.

ROE from the analysis results shows the advantage that the ROE formula tends to be simple and easy to understand. The company's management division can use ROE as a motivation to earn greater profits. And can be used as a measure of company management achievement, material for evaluating company performance, and a control tool for company management regarding profitability. However, the value of ROE can cause company management to be reluctant to increase the portion of capital.

https://doi.org/10.52970/grfm.v3i1.311
Website: https://goldenratio.id/index.php/grfm
ISSN [Online]: 27766780

This value can make company management only focus on short-term goals and forget long-term goals.

5. Conclusion

In conclusion, the analysis of several financial ratios provides insights into the financial performance of PT Semen Indonesia (Persero), Tbk. The analysis focused on the gross profit margin, net profit margin, return on assets (ROA), and return on equity (ROE) for the years 2020-2022. Here are the key findings:

1. Gross Profit Margin: The company's gross profit margin showed a declining trend over the years. In 2020, the gross profit margin was 39.5%, which decreased to 37.7% in 2021 and further dropped to 28.6% in 2022. This indicates a decrease in the profitability of the company's core operations and may be attributed to various factors such as increased costs or changes in pricing strategies.
2. Net Profit Margin: The net profit margin also exhibited fluctuations during the analyzed period. In 2020, the net profit margin was 16.7%, which slightly increased to 17.3% in 2021 but then significantly dropped to 7.3% in 2022. This indicates a decline in the company's ability to convert sales into net profit, which could be a result of higher expenses or changes in market conditions.
3. Return on Assets (ROA): The ROA measures the efficiency of asset utilization to generate profits. PT Semen Indonesia's ROA was 11.8% in 2020, decreased to 10.2% in 2021, and further declined to 4.1% in 2022. This indicates a reduced ability of the company to generate profits relative to its total assets. The decline may be attributed to factors such as lower net income or an increase in total assets.
4. Return on Equity (ROE): The ROE reflects the company's ability to generate profit from shareholders' equity. PT Semen Indonesia's ROE was 16.4% in 2020, decreased to 14.8% in 2021, and significantly dropped to 6.7% in 2022. The declining trend indicates a decrease in the company's profitability relative to the equity invested by shareholders.

Overall, the financial ratios suggest a mixed performance for PT Semen Indonesia (Persero), Tbk. The company experienced declining profitability, as reflected by decreasing gross profit margin, net profit margin, ROA, and ROE. It is crucial for the company to assess the factors contributing to these declines and take appropriate measures to improve operational efficiency, reduce costs, and enhance profitability. Additionally, close monitoring of market conditions and competition is necessary to ensure sustainable financial performance in the future.

References

Akbar, F., & Fahmi, I. (2020). Pengaruh ukuran perusahaan, profitabilitas dan likuiditas terhadap kebijakan dividen dan nilai perusahaan pada perusahaan manufaktur yang terdaftar di bursa efek Indonesia. Jurnal Ilmiah Mahasiswa Ekonomi Manajemen, 5(1), 62–81. https://doi.org/10.24815/jimen.v5i1.13710

Bahri, R. S., & Komarudin, E. (2019). Computerized of International Financial Report Standard For Good Governance in Small Medium Enterpreses. IOP Conference Series: Materials Science and Engineering, 662(5), 52009. https://iopscience.iop.org/article/10.1088/1757-899X/662/5/052009/meta

Christine, D., Wijaya, J., Chandra, K., Pratiwi, M., Lubis, M. S., & Nasution, I. A. (2019). Pengaruh profitabilitas, leverage, total arus kas dan ukuran perusahaan terhadap financial distress pada perusahaan property dan real estate yang terdapat di bursa efek indonesia tahun 2014-2017. Jesya (Jurnal Ekonomi Dan Ekonomi Syariah), 2(2), 340–350. https://doi.org/10.36778/jesya.v2i2.102

Dhani, I. P., & Utama, A. A. G. S. (2017). Pengaruh pertumbuhan perusahaan, struktur modal, dan profitabilitas terhadap nilai perusahaan. Jurnal Riset Akuntansi Dan Bisnis Airlangga, 2(1).

Hirdinis, M. (2019). Capital structure and firm size on firm value moderated by profitability. https://www.um.edu.mt/library/oar/handle/123456789/43966

Indrawati, N. K. (2019). Manajemen Keuangan Perusahaan. Universitas Brawijaya Press.

Iskandar, J. (2019). Implementasi sistem manajemen keuangan pendidikan. Idaarah, 3(1), 114–123. https://core.ac.uk/download/pdf/234752746.pdf

Lubis, I. L., Sinaga, B. M., & Sasongko, H. (2017). Pengaruh profitabilitas, sruktur modal, dan likuiditas terhadap nilai perusahaan. Jurnal Aplikasi Bisnis Dan Manajemen (JABM), 3(3), 458. https://doi.org/10.17358/jabm.3.3.458

Mahulae, D. Y. D. (2020). Analisis Pengaruh Efisiensi Modal Kerja, Likuiditas, dan Solvabilitas terhadap Profitabilitas. Jurnal Manajemen Dan Akuntansi Medan, 2(1). https://doi.org/10.37531/sejaman.v5i1.1549

Masyita, E., & Harahap, K. K. S. (2018). Analisis Kinerja Keuangan Menggunakan Rasio Likuiditas Dan Profitabilitas. Jurnal Akuntansi Dan Keuangan Kontemporer (JAKK), 1(1), 33–46. http://jurnal.umsu.ac.id/index.php/JAKK/article/view/3826

Montoya, J. C. C. (2018). The impact of IFRS on financial report quality in Latin America and the Caribbean. Contaduría y Administración, 63(2), 13–14. https://ideas.repec.org/a/nax/conyad/v63y2018i2p13-14.html

Muda, I., Harahap, A. H., Ginting, S., Maksum, A., & Abubakar, E. (2018). Factors of quality of financial report of local government in Indonesia. IOP Conference Series: Earth and Environmental Science, 126(1), 12067. https://iopscience.iop.org/article/10.1088/1755-1315/126/1/012067/meta

Niati, A., Suhardjo, Y., Wijayanti, R., & Hanifah, R. U. (2019). Pelatihan Pengelolaan Manajemen Keuangan dan Pelaporan Keuangan Akuntansi Pesantren bagi Pengelola Yayasan Pondok Pesantren X di Kota Semarang. Jurnal Surya Masyarakat, 2(1), 76–79. https://doi.org/10.26714/jsm.2.1.2019.76-79

Saemargani, F. I., & Mustikawati, R. I. (2015). Pengaruh ukuran perusahaan, umur perusahaan, profitabilitas, solvabilitas, ukuran kap, dan opini auditor terhadap audit delay. Nominal: Barometer Riset Akuntansi Dan Manajemen, 4(2), 1–15. http://dx.doi.org/10.21831/nominal.v4i2.7996

Sudana, I. M. (2019). Manajemen keuangan teori dan praktik. Airlangga University Press.

Sumanti, J. C., & Mangantar, M. (2015). Analisis kepemilikan manajerial, kebijakan hutang dan profitabilitas terhadap kebijakan dividen dan nilai perusahaan pada perusahaan manufaktur yang terdaftar di BEI. Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi, 3(1). https://doi.org/10.35794/emba.3.1.2015.7928

Syamsudin, S., Imronudin, I., Utomo, S. T., & Praswati, A. N. (2017). Corporate governance in detecting lack of financial report. JDM (Jurnal Dinamika Manajemen), 8(2), 167–176. https://journal.unnes.ac.id/nju/index.php/jdm/article/view/12757

Umar, H., Indriani, A., & Purba, R. B. (2019). The Determinant Fraud Prevention Of Quality Local Government Financial Report. Jurnal Akuntansi Dan Bisnis: Jurnal Program Studi Akuntansi, 5(1), 41–52. https://www.ojs.uma.ac.id/index.php/jurnalakundanbisnis/article/view/2310

Vahlia, I., & Lelawati, N. (2019). Pelatihan e-commerce dan manajemen keuangan sebagai langkah meningkatkan pendapatan pada keripik pisang arjuna. Jurnal Hilirisasi IPTEKS, 2(4. b), 509–518. https://doi.org/10.25077/jhi.v2i4.b.271

Zuhroh, I. (2019). The effects of liquidity, firm size, and profitability on the firm value with mediating leverage. http://eprints.umm.ac.id/id/eprint/87152