

## **Analysis of Financial Performance Using Financial Ratios in Cement Sub-Sector Companies Listed on The Indonesia Stock Exchange for The 2017-2021 Period**

Lis Indriyah Putri<sup>1</sup>, Fitri Dwi Jayanti<sup>2</sup>  
Universitas Ngudi Waluyo<sup>1,2</sup>  
Email Correspondence :lisindriyahputri1@gmail.com

**Abstract.** Many things are caused by the condition of instability in Indonesia which has a negative impact on economic sectors, especially companies located in Indonesia. The consequences of financial instability in Indonesia impacted many companies, including manufacturing companies. Manufacturing companies have several sub-sectors including the cement sub-sector. Cement is a valuable raw material for Indonesia. The type of research used in this research is quantitative research. This is because researchers explain the characteristics of financial statements to assess the company's financial performance. The approach used in this research is a descriptive approach. A descriptive approach is an approach that is used to explain the condition of the object of research related to what, why, and how the problem arises and will be analyzed. The research subjects in question are the parties who are targeted in data collection. In this study, the subject of research is the annual financial statements of cement companies listed on the Indonesia Stock Exchange (IDX). The results showed that the calculation of the ratio of liquidity, activity, and profitability in cement sub-sector companies fluctuated. In addition, the calculation of the liquidity ratios of several companies has met industry standards, the activity ratios of several companies are still below the set industry standards, and the profitability ratios of several companies have met industry standards.

**Keywords:** Financial Performance, Financial Reports, Financial Ratios

### **Introduction**

Many things are caused by the condition of instability in Indonesia which has a negative impact on economic sectors, especially companies located in Indonesia. The consequences of financial instability in Indonesia impacted many companies, including manufacturing companies. Manufacturing companies are the most listed companies on the Indonesia Stock Exchange. Manufacturing companies have several sub-sectors including the cement sub-sector.

Cement is a useful raw material for Indonesia. As a developing country, the availability of cement as a raw material for housing, roads, construction, and other facilities is very important. In addition to being one of the main ingredients for the smooth running of the national development wheel, especially the construction of physical facilities which are very much needed to create facilities and infrastructure that aim to improve the country's economy.

Every company needs the right decisions to solve problems. Making the right decision requires a lot of information. This information is about the company's financial performance and financial statements related to the company's achievements during a certain period. The financial statements are prepared with the aim of presenting the progress of the company's reports for a certain period. Financial reports in several periods can prove whether the financial performance of a company is good or bad. For some people, financial reports are quite complex reports that are presented in great detail so that financial reports can be understood by various parties and can be used to evaluate the company's financial performance.

According to Siantur (2020), financial performance, namely the company's business financial activities in the form of analysis of the company's financial statements with the help of tools used to understand the company's condition, especially in the company's financial reports will show financial performance over a certain period. Financial performance has a very important role in the company because it is a benchmark for the company's success and influences company decision making.

In measuring and evaluating the company's financial performance, management must understand the company's financial condition before making the right decisions, and one way to evaluate financial performance is to analyze the company's financial statements (Damayanty & Putri, 2021). Then an analysis is needed in the financial statements. In analyzing financial statements, certain measurements and standards are needed. The measure commonly used to analyze financial statements is ratio analysis. With the help of ratio analysis, companies can find out current

and future developments and assess financial performance that can be used as company financial information and the right steps for making decisions.

### **Literature Review**

#### **Agency Theory**

According to R.A Supriyono (2018), the concept of agency theory is a contractual relationship between company owners and agents. The agency theory states that business owners (shareholders) authorize company management to run the company's business in accordance with the agreed contract. If both parties have the same interest in increasing the value of the company, management will act in accordance with the interests of the company owner. Meanwhile, Andriyani and Mudjiyanti (2017) argue that agency theory explains that agency is based on a contractual relationship between management as agent and shareholders as principal. Agency theory is one or more contracts whereby management (agents) perform certain services to them by delegating decision-making power to agents.

#### **Financial performance**

According to Irham Fahmi (2019), financial performance is an analysis carried out to find out how long the company has been successful in using financial management rules properly and correctly. Meanwhile, according to Rudianto (2019), financial performance is the result that has been achieved by company management in managing company assets effectively for a certain period.

#### **Financial statements**

According to Suteja (2018), financial reports are reports that describe the financial position resulting from an accounting process for a certain period and are used to inform interested parties. Meanwhile, according to Harahap Wibison (2015) explains if the financial statements describe the financial condition and performance of the company during a certain period. The purpose of financial reports is to provide information about the condition of the company that is useful to the majority of users of these financial statements.

#### **Financial Statement Analysis**

Analysis of financial statements can help management identify existing deficiencies and then make the right decisions to improve company performance in order to achieve company goals. Analysis of financial statements also helps investors and creditors in making investment and credit decisions. Kariyoto (2017) argues that financial statement analysis is a process that aims to help evaluate the financial position and performance of a company in the present and past with the main objective of determining estimates and predictions regarding the condition and performance of the company in the future.

#### **Financial Ratio Analysis**

Financial ratio analysis is the activity of comparing numbers in financial statements by dividing one number by another (Kasmir, 2018). A comparison of numbers in financial statements is made between the balance sheet and income statement sections. According to Sanjaya (2017), financial ratios are a method that is often used to identify the relationship between certain parts of the financial statements to assess the financial condition and performance of the company and make it easier to understand the company's financial information.

#### **Liquidity Ratio**

The liquidity ratio according to Hery (2018) is a ratio that shows the company's ability to meet its short-term debt obligations. It can be said that the liquidity ratio is a ratio that can be used to measure a company's ability to pay its short-term obligations at maturity using available current assets.

#### **Activity Ratio**

The activity ratio according to Hery (2018) is the ratio used to measure a company's efficiency in using assets, including the company's efficiency in using resources. Meanwhile, the activity ratio according to Fahmi (2017) is a ratio that describes how much a company uses its resources to support company activities. The activity ratio is used to assess the company's ability to carry out daily activities. The measurement results of the activity ratio show whether the company manages its assets more effectively and efficiently or vice versa.

#### **Profitability Ratio**

Profitability ratios are used to measure the ability of management as a whole which is aimed at the size of the level of profit earned in relation to sales and investment. So it can be concluded

that the profitability ratio is the ratio used to assess the company's ability to earn profits. The better the profitability ratio, the better it describes the company's ability to achieve high profits.

### Method

The type of research used in this research is quantitative research. This is because researchers explain the characteristics of financial statements to assess the company's financial performance. The approach used in this research is a descriptive approach. A descriptive approach is an approach that is used to explain the condition of the object of research related to what, why, and how the problem arises and will be analyzed. In this study, the subject of research is the annual financial statements of cement companies listed on the Indonesia Stock Exchange (IDX). This research uses secondary data as the main data, which means that the data is in the form of data that has been processed and presented by other parties. In accordance with the data used, namely secondary data, the technique used in this study is the documentation technique. Researchers collected data by taking financial report data that had been published and listed on the Indonesian stock exchange, namely cement companies for the period 2017 to 2021 through their official website. The data analysis method in this study is financial ratio analysis and descriptive statistical analysis. The financial ratios to be used consist of liquidity, activity, and profitability ratios. There are two data collection processes in this study, namely population and sample. The population in this study are cement companies listed on the Indonesia Stock Exchange (IDX). The sample used in this study was taken using a purpose sampling method. According to Sugiyono (2018) Purpose sampling is sampling using certain aspects according to the desired criteria so that the number of samples to be studied can be determined. The criteria or considerations for sampling used by the author are:

Table 1. Sample Criteria

No.	Criteria	Total
1.	Cement sub-sector company listed on the Indonesia Stock Exchange (IDX).	7
2.	Number of cement companies that do not meet the criteria for not publishing financial reports on the official website of the Indonesia Stock Exchange (IDX) due to IPO before 2017	(1)
Total companies that meet the criteria		6
Total sample (6 companies x 5 years)		30

Source : Processed Data, 2023

### Research Results and Discussion

Table 2. Descriptive Statistical Analysis of Cement Companies for 2017-2021

	N	Statistic	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	30		.27	3.70	1.6353	.86440
Quick Ratio	30		.17	3.19	1.2703	.76498
Total Asset Turnover	30		.20	.87	.4943	.14616
Fixed Asset Turnover	30		.36	2.24	.9337	.52843
Return On Asset	30		-.45	.07	.0063	.10727
Return On Equity	30		-4.11	.70	-.0633	.77564
Net Profit Margin	30		-2.15	.14	-.0590	.48078
Valid N (listwise)	30					

Source: Processed Secondary Data. 2023

Table 3. Current Ratio of Cement Companies for 2017-2021

No	Company	Year					Average
		2017	2018	2019	2020	2021	
1.	PT Indocement Tunggal Prakarsa Tbk	3.70	3.14	3.31	2.92	2.44	3.10
2	PT Semen Baturaja (Persero)Tbk	1.68	2.13	2.29	1.33	2.77	2.04
3	PT Solusi Bangun Indonesia Tbk	0.54	0.27	1.08	1.02	1.34	0.85
4	PT Semen Indonesia (Persero) Tbk	1.57	1.95	1.36	1.35	1.07	1.46
5	PT Waskita Beton Precast Tbk	1.71	1.40	1.62	0.67	0.44	1.13
6	PT Wijaya Karya Beton Tbk	1.03	1.54	1.16	1.12	1.11	1.19

Source: Processed Secondary Data. 2023

Table 4. Quick Ratio of Cement Companies for 2017-2021

No	Company	Year					Average
		2017	2018	2019	2020	2021	
1	PT Indocement Tunggal Prakarsa Tbk	3.19	2.67	2.82	2.48	1.95	2.62
2	PT Semen Baturaja (Persero) Tbk	1.38	1.68	1.56	1.04	2.18	1.57
3	PT Solusi Bangun Indonesia Tbk	0.38	0.17	0.71	0.76	1.08	0.62
4	PT Semen Indonesia (Persero) Tbk	1.15	1.52	0.98	0.96	0.75	1.07
5	PT Waskita Beton Precast Tbk	0.39	1.09	1.36	0.53	0.38	0.75
6	PT Wijaya Karya Beton Tbk	0.79	1.33	0.97	0.95	0.91	0.99

Source: Processed Secondary Data. 2023

Table 5. Total Asset Turnover of Cement Companies for 2017-2021

No	Company	Year					Average
		2017	2018	2019	2020	2021	
1	PT Indocement Tunggal Prakarsa Tbk	0.87	0.55	0.58	0.52	0.57	0.61
2	PT Semen Baturaja (Persero) Tbk	0.31	0.35	0.36	0.29	0.30	0.33
3	PT Solusi Bangun Indonesia Tbk	0.48	0.56	0.57	0.49	0.52	0.52
4	PT Semen Indonesia (Persero) Tbk	0.57	0.60	0.51	0.45	0.46	0.52
5	PT Waskita Beton Precast Tbk	0.48	0.53	0.46	0.21	0.20	0.37
6	PT Wijaya Karya Beton Tbk	0.76	0.53	0.69	0.56	0.48	0.60

Source: Processed Secondary Data. 2023

Table 6. Fixed Asset Turnover of Cement Companies for 2017-2021

No	Company	Year					Average
		2017	2018	2019	2020	2021	
1	PT Indocement Tunggal Prakarsa Tbk	1.57	0.98	1.07	0.94	1.00	1.11
2	PT Semen Baturaja (Persero) Tbk	0.39	0.36	0.44	0.37	0.39	0.39

No	Company	Year					Average
		2017	2018	2019	2020	2021	
3	PT Solusi Bangun Indonesia Tbk	0.56	0.65	0.68	0.61	0.69	0.64
4	PT Semen Indonesia (Persero) Tbk	0.79	0.87	0.64	0.56	0.57	0.69
5	PT Waskita Beton Precast Tbk	1.27	1.60	1.16	0.40	0.52	0.99
6	PT Wijaya Karya Beton Tbk	1.97	1.99	2.24	1.47	1.26	1.79

Source: Processed Secondary Data. 2023

Table 7. Return On Assets of Cement Companies for 2017-2021

No	Company	Year					Average
		2017	2018	2019	2020	2021	
1	PT Indocement Tunggal Prakarsa Tbk	6.44%	4.12%	6.62%	6.61%	6.68%	6.13%
2	PT Semen Baturaja (Persero) Tbk	2.90%	1.37%	0.54%	0.19%	0.89%	1.18%
3	PT Solusi Bangun Indonesia Tbk	-3.86%	-4.44%	2.55%	3.14%	3.35%	0.15%
4	PT Semen Indonesia (Persero) Tbk	4.17%	6.03%	2.97%	3.43%	2.72%	3.87%
5	PT Waskita Beton Precast Tbk	6.70%	7.25%	4.99%	-45.09%	-28.24%	-10.88%
6	PT Wijaya Karya Beton Tbk	4.82%	3.50%	4.94%	1.45%	0.91%	3.12%

Source: Processed Secondary Data. 2023

Table 8. Return On Equity of Cement Companies for 2017-2021

No	Company	Year					Average
		2017	2018	2019	2020	2021	
1	PT Indocement Tunggal Prakarsa Tbk	7.57%	4.93%	7.95%	8.15%	8.67%	7.46%
2	PT Semen Baturaja (Persero) Tbk	4.30%	2.19%	0.86%	0.32%	1.49%	1.83%
3	PT Solusi Bangun Indonesia Tbk	-10.53%	-12.90%	7.15%	8.60%	6.45%	-0.25%
4	PT Semen Indonesia (Persero) Tbk	6.71%	9.43%	7.00%	7.50%	2.72%	6.67%
5	PT Waskita Beton Precast Tbk	13.67%	14.00%	9.91%	-411.25%	69.94%	-60.75%
6	PT Wijaya Karya Beton Tbk	12.39%	12.04%	4.94%	3.63%	2.36%	7.07%

Source: Processed Secondary Data. 2023

Table 9. Net Profit Margin of Cement Companies for 2017-2021

No	Company	Year					Average
		2017	2018	2019	2020	2021	
1	PT Indocement Tunggal Prakarsa Tbk	12.89%	7.54%	11.51%	12.73%	12.11%	11.36%
2	PT Semen Baturaja (Persero) Tbk	9.45%	3.81%	1.50%	0.64%	2.96%	3.67%
3	PT Solusi Bangun Indonesia Tbk	-8.08%	-7.98%	4.51%	6.44%	6.43%	0.26%
4	PT Semen Indonesia (Persero) Tbk	7.35%	10.06%	5.87%	7.60%	5.96%	7.37%
5	PT Waskita Beton Precast Tbk	14.08%	13.79%	10.80%	-215.25%	140.82%	-63.48%
6	PT Wijaya Karya Beton Tbk	6.35%	6.65%	7.21%	2.56%	1.89%	4.93%

Source: Processed Secondary Data. 2023

#### Descriptive Statistical Analysis

Descriptive statistical analysis is an analysis that is processed using statistical tables by explaining the description of the research variables. Based on the results of data analysis can be described as follows:

The results of the descriptive analysis of cement sector companies for 5 years can be seen in Table 4.1. The company's financial performance is assessed based on the liquidity ratio, activity ratio, and profitability ratio by looking at the current ratio, quick ratio, total asset turnover, fixed asset turnover, return on assets, return on equity, and net profit margin. These ratios were measured and compared with 6 cement companies over 5 years.

The size of the company's liquidity ratio in terms of the current ratio ranges from 0.27 to 3.70 with a mean of 1.6353 at a standard deviation of 0.86440. The mean is greater than the standard deviation, meaning that the current ratio data distribution is good.

The size of the company's liquidity ratio, which is reviewed using the quick ratio, ranges from 0.17 to 3.19 with a mean of 1.2703 at a standard deviation of 0.76498. The mean is greater than the standard deviation, meaning that the distribution of the quick ratio data is good.

The magnitude of the ratio of company activity in terms of total asset turnover ranges from 0.20 to 0.87 with a mean of 0.4943 at a standard deviation of 0.14616. The mean is greater than the standard deviation, meaning that the total asset turnover data distribution is good. Based on the activity ratio in terms of fixed asset turnover, it ranges from 0.36 to 2.24 with a mean of 0.9337 at a standard deviation of 0.52843. The mean is greater than the standard deviation, meaning that the distribution of fixed asset turnover data is good.

The size of the company's liquidity ratio in terms of return on assets ranges from -0.45 to 0.07 with a mean of 0.0063 at a standard deviation of 0.10727, meaning that there is data deviation from return on assets of 10.72% of the average value of 0.63% so that it can be concluded that the average value of return on assets is below the standard deviation value, which means that the distribution of return on assets data is bad.

Based on the profitability ratios reviewed with return on equity ranging from -4.11 to 0.70 with a mean of -0.0633 at a standard deviation of 0.77564, which means that there is data deviation from return on equity of 77.56% of the average value of -6.33% so that it can be concluded that the average value of return on equity is below the standard deviation value, which means that the distribution of return on equity data is bad.

Based on the profitability ratios reviewed with the net profit margin ranging from -2.15 to 0.14 with a mean of -0.0590 at a standard deviation of 0.48078, which means that there is data deviation from the net profit margin of 48.07% of the average value of -5.90% so that it can be concluded that the average value of the net profit margin is below the standard deviation value, which means that the distribution of the net profit margin data is bad.

#### Liquidity Ratio

The liquidity ratio is an indicator of a company's ability to pay all short-term liabilities at maturity using available current assets. The liquidity ratio can be calculated using the calculation of the current ratio and quick ratio.

#### Current Ratio

Current Ratio is the ratio used to determine a company's ability to meet its short-term obligations. The formula used in calculating the magnitude of the current ratio is

$$\text{Current Ratio} = \frac{\text{Current asset}}{\text{Current Debt}} \times 100\%$$

Based on table 3 it can be seen that all the companies studied have positive Current Ratio values and several companies have met industry standards but there are also companies that have not met industry standards. This shows that the company can guarantee its current debt with its current assets.

#### Quick Ratio

This ratio shows the ability of the most liquid current assets to cover current liabilities. The bigger the ratio, the better. The formula used in calculating the magnitude of the quick ratio is

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Debt}} \times 100\%$$

Based on table 4.7 it can be seen that all the companies studied have positive quick ratio values and several companies have met industry standards but there are also companies that have

not met industry standards. This shows that the company can guarantee its current debt with its current assets.

#### Activity Ratio

The activity ratio is the ratio used to measure a company's effectiveness in using its assets.

This ratio consists of:

#### Total Assets Turnover

Total asset turnover is the company's ability to generate sales or income based on the total assets it has. Calculation of Total Asset Turnover is as follows:

$$\text{Total Assets Turn Over Ratio} = \frac{\text{Sale}}{\text{Average Total Assets}}$$

Based on table 5, it can be seen that the Total Asset Turnover of the companies studied has a positive value and several companies have met industry standards but there are also companies that have not met industry standards. Total Asset Turnover shows the effectiveness of using assets in generating sales or income. The higher the Total Asset Turnover means the more effective the use of assets in generating sales or income.

#### Fixed Assets Turnover

Fixed asset turnover measures the effectiveness and efficiency of a company in managing its fixed assets in one period. The calculation of Fixed Assets Turnover for each period is as follows:

$$\text{Fixed Assets Turnover} = \frac{\text{Sale}}{\text{Average Fixed Assets}}$$

Based on table 6, it can be seen that the fixed asset turnover of the companies studied has a positive value and several companies have met industry standards but there are also companies that have not met industry standards. The higher the value of the fixed asset turnover ratio indicates that the company's management is more efficient and effective in managing fixed assets.

#### Profitability Ratios

Profitability is this ratio that shows how much the level of success of the company in generating profits. The higher the profitability ratio, the better the company's ability to earn profits. The company's profit and loss in accounting can be measured by calculating the profitability ratio. The profitability ratios to be examined consist of:

#### Return On Assets (ROA)

Return on assets is a ratio that measures a company's ability to earn profits from the assets used. Return on assets as a measure of the company's profits in using its assets. The calculation of return on assets in each period is as follows:

$$\text{Return on Asset} = \frac{\text{Net Profit After Tax}}{\text{Total Asset}} \times 100\%$$

Based on table 7, it can be seen that there are companies that have positive returns on assets and there are companies that have negative returns on assets. In addition, there are several companies that have met industry standards, but there are also companies that have not met industry standards. Return on assets shows how much the contribution of assets is in creating net income. The higher the return on assets means the higher the amount of net profit generated from the funds embedded in total assets. A positive return on company assets indicates that in that year the company earned net profit from using assets effectively. Meanwhile, a negative return on company assets indicates that in that year the company did not make a profit but suffered a loss.

#### Return On Equity (ROE)

Return on equity is used to measure how much profit the company generates for every rupiah invested by shareholders. The calculation of return on equity for each period is as follows:

$$\text{Return on Equity} = \frac{\text{Net Profit After Tax}}{\text{Total Equity}} \times 100\%$$

Based on table 8, it can be seen that there are companies that have a positive return on equity and there are companies that have a negative return on equity. In addition, there are several companies that have met industry standards, but there are also companies that have not met industry standards. Return on equity shows how big the contribution of equity is in creating net income. The higher the return on equity means the higher the amount of net profit generated from the funds embedded in total equity. The company's positive return on equity shows that in that year the company earned a net profit from the effective use of equity. Meanwhile, the company's return on equity is negative, indicating that in that year the company did not earn a profit.

### Net Profit Margin (NPM)

Net Profit Margin is used to measure net profit or net profit per rupiah of sales. The greater this ratio means the better for the company, because the greater the profit the company gets from sales. The calculation of Net Profit Margin (NPM) in each period is as follows:

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100\%$$

Based on table 9, it can be seen that the companies studied have positive and negative values. In addition, there are several companies that have met industry standards, but there are also companies that have not met industry standards. A positive net profit margin indicates that the company earns a net profit. Meanwhile, a negative net profit margin indicates that the company does not earn net profit and suffers a loss.

### Conclusion

Based on the results of the research and discussion described earlier, the researcher can draw conclusions, namely:

The results of the liquidity ratio using the measurement of the current ratio and quick ratio of PT. Indocement Tunggak Prakarsa Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on the industry standard, this ratio is 200%, which is very good, which means that the financial performance measured using the current ratio is in the very good category and the quick ratio measurement is PT. Indocement Tunggak Prakarsa Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the current ratio is above 200% and the quick ratio is above 150%, which is very good, which means that financial performance is in the very good category. The results of the liquidity ratio using the measurement of the current ratio and quick ratio of PT. Semen Baturaja Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the current ratio is above 200% and the quick ratio is above 150%, which is very good, which means that financial performance is in the very good category. The results of the liquidity ratio using the measurement of the current ratio and quick ratio of PT. Solusi Bangun Indonesia Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the current ratio is above 200% and the quick ratio is above 150%, which is very good, which means that financial performance is in the very good category. The results of the liquidity ratio using the measurement of the current ratio and quick ratio of PT. Semen Indonesia (Persero) Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the current ratio is above 200 and the quick ratio is above 150%, which is very good, which means that financial performance is in the very good category. The results of the liquidity ratio using the measurement of the current ratio and quick ratio of PT. Waskita Beton Precast Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the current ratio is above 200 and the quick ratio is above 150%, which is very good, which means that financial performance is in the very good category. The results of the liquidity ratio using the measurement of the current ratio and quick ratio of PT. Wijaya Karya Beton Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the current ratio is above 200 and the quick ratio is above 150%, which is very good, which means that financial performance is in the very good category.

The results of the activity ratio using the measurement of total asset turnover and fixed asset turnover of PT. Indocement Tunggak Prakarsa Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, total asset turnover for this is above 2 times and fixed asset turnover is above 5 times, which is very good, which means that financial performance is in the very good category. The results of the activity ratio using the measurement of total asset turnover and fixed asset turnover of PT. Semen Baturaja (Persero) Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the total asset turnover for this is below 2 times and the fixed asset turnover is below 5 times, which is not good, which means that financial performance is in the unfavorable category. The results of the activity ratio using the measurement of total asset turnover and fixed asset turnover of PT. Solusi Bangun Indonesia Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on the industry standard, total asset turnover for this is above 2 times, which means very good and fixed asset turnover is below 5 times, which is not good. The results of the activity ratio using the measurement of total asset turnover and fixed asset turnover of PT. Semen Indonesia (Persero) Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on the industry standard, total asset turnover for this is above 2 times, which means very good and fixed asset turnover is below 5 times, which is not good.

The results of the activity ratio using the measurement of total asset turnover and fixed asset turnover of PT. Waskita Beton Precast Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the total asset turnover for this is below 2 times and the fixed asset turnover is below 5 times, which is not good, which means that financial performance is in the unfavorable category. The results of the activity ratio using the measurement of total asset turnover and fixed asset turnover of PT. Wijaya Karya Beton Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, total asset turnover for this is above 2 times and fixed asset turnover is above 5 times, which is very good, which means that financial performance is in the very good category.

The results of the profitability ratios using measurements of return on assets, return on equity and net profit margin of PT. Indocement Tunggal Prakarsa Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, return on assets is above 20%, return on equity is above 30% and net profit margin is above 40%, which means that the financial performance of all measurements is in the very good category. The results of the profitability ratios using measurements of return on assets, return on equity and net profit margin of PT. Semen Baturaja (Persero) Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, return on assets is below 20%, return on equity is below 30% and net profit margin is below 40%, which means that the financial performance of all measurements is in the unfavorable category. The results of the profitability ratios using measurements of return on assets, return on equity and net profit margin of PT. Solusi Bangun Indonesia Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, return on assets is below 20%, return on equity is below 30% and net profit margin is below 40%, which means that the financial performance of all measurements is in the unfavorable category. The results of the profitability ratios using measurements of return on assets, return on equity and net profit margin of PT. Semen Indonesia (Persero) Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the return on assets for this is below 20%, which means the financial performance is not good, the return on equity is above 30%, which means the financial performance is very good, and the net profit margin is below 40%, which means the financial performance is not good. The results of the profitability ratios using measurements of return on assets, return on equity and net profit margin of PT. Waskita Beton Precast Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, return on assets is below 20%, return on equity is below 30% and net profit margin is below 40%, which means that the financial performance of all measurements is in the unfavorable category. The results of the profitability ratios using measurements of return on assets, return on equity and net profit margin of PT. Wijaya Karya Beton Tbk for five years from 2017 to 2021 has experienced fluctuations. Based on industry standards, the return on assets for this is below 20%, which means the financial performance is not good, the return on equity is above 30%, which means the financial performance is very good, and the net profit margin is below 40%, which means the financial performance is not good.

### **Suggestion**

Researchers provide suggestions that can build related to this research, including:

For investors who intend to invest in companies, they can optimize their accuracy in analyzing financial statements to see the financial performance of the companies they will invest in.

For companies, they should maintain a good liquidity position by increasing the company's current assets by controlling the amount of inventory and reducing the inefficient use of cash so that they can properly guarantee all the company's current debts and keep the company's current debts running smoothly. suppressed or reduced, increasing the company's activities so that the turnover of inventories, receivables, fixed assets and other assets owned by the company can be faster than in previous years and not more than 1 year and it is recommended that the assets owned by the company can be more productive so that can increase the number of company sales as well as increase and maintain the stability of the company's profitability position from year to year by keeping the company's cost of goods sold efficient and trying to increase revenue derived from sales, increasing efficiency and effectiveness in the use of invested capital, trying to reduce operational costs as efficiently as possible in order to increase sales and profits received by the company.

For future researchers who will conduct research on the same topic, they should measure financial performance using other financial ratio measures or other methods, to improve the quality of research results.

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