

Financial Ratio Analysis for The Financial Performance of Soes in IDX 2017-2019 Period (Case Study PT. Garuda Indonesia (Persero) Tbk

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ABSTRACT

The purpose of this study is to analyze state-owned airline companies listed on the IDX regarding the financial performance of the 2017-2019 period. The data used in this study is secondary data obtained from the annual financial statements of PT. Garuda Indonesia (Persero) Tbk on the IDX for the 2017-2019 period. Financial performance in this study uses EVA (economic value added), MVA (market value added) and FVA (financial value added). The results of this study state that (1) EVA has a positive value in 2017 and 2018, but in 2019 it has a negative value, (2) MVA has a negative value during 2017-2019, (3) FVA has a positive value throughout 2017-2019.

Keywords: Garuda Indonesia, GIA

1. INTRODUCTION

During the 2015-2019 period the profits of PT. Garuda Indonesia (Persero) Tbk experiences significant fluctuations every year. This is a reference for investors to make a decision to invest or not in PT. Garuda Indonesia (Persero) Tbk. The following are the benefits obtained during the year 205-2019:

Table 1.1 Development of Net Profits

Year	Profit (USD)	Growth (%)
2015	77,974,161	0
2016	9,364,858	0.88
2017	(213,389,678)	-21.79
2018	(228,889,524)	-0.07
2019	6,457,765	0.97

Source: data processed (2020)

Based on table 1.1 data on the development of net income at PT. Garuda Indonesia (Persero) Tbk which is listed on the IDX shows fluctuations every year in financial performance. This cause can be caused by various problems the company has experienced during the last 5 years. The conditions that occur in the airline sector can have an impact on the company's financial performance, so that companies are required to have a plan to do business, namely through improving the company's financial performance.

Previous research proposed by Sudiyanto (2019) related to financial performance using EVA (economic

value added) aspects at a telecommunications company, namely PT. Indosat Tbk listed on the IDX for the 2010-2014 period. The outcomes of the analysis in previous studies display that from 2010 to 2012 the income after tax (NOPAT) is more than the cost of capital, inflicting $EVA > 0$ or EVA to be positive. This condition indicates that the company has the ability to create economic added value for the company and its shareholders. Through an increase in the value of EVA, it can attract investor interest to put their capital in the company and Sunardi (2018) which discusses the analysis of EVA, FVA and MVA with a Time Series Approach as a Financial Performance Assessment Tool (Case Study in the Construction Industry (BUMN) in Indonesia which is listed on the IDX in 2013-2017.

In the description above, it could be seen that the value of EVA and MVA is closely related to the company's financial performance in order to generate economic added value for the company. However, the value of FVA is also related to the creation of added financial value to the company and FVA is a new method that has not been widely used or has not been widely studied by companies to analyze the company's financial performance and to be able to add value, it can be done by considering fixed assets in obtaining profits. company.

From a phenomenon or background at PT. Garuda Indonesia (Persero) Tbk always experiences instability

in the company's financial performance every year. So that researchers want to carry out research in order to determine the company's financial performance using 3 methods entitled: "**Financial Ratio Analysis for Financial Performance (Case Study at PT. Garuda Indonesia (Persero) Tbk 2017-2019 period)**".

2. METHOD AND DESIGN

2.1. Data sources

This study uses secondary data taken from financial statements published annually by companies on the IDX. Company data can be accessed through the official website (www.idx.co.id).

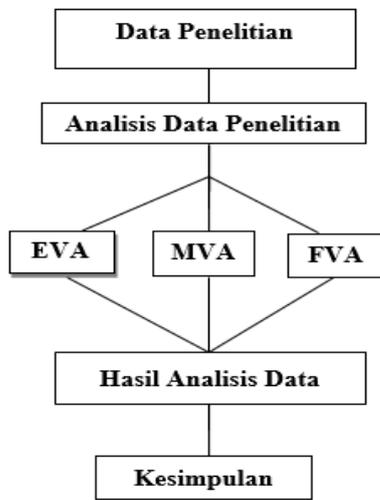


Figure 1. Research Design

2.2. Population

The population in this study are state-owned companies engaged in airlines listed on IDX using the EVA, MVA, and FVA methods for 3 years, from 2017 to 2019.

2.3. Sample

The sample in this study is a state-owned company listed on the IDX taken as much as one sample. Based on the description above, the sample of this researcher is the balance sheet and financial profit and loss statement of PT Garuda Indonesia Tbk.

2.4. Research Design

In the picture above, it can be explained that from the research data it is continued by analyzing the research data by interpreting it using EVA, MVA, and FVA so that the results of data analysis are obtained, and then will get a conclusion. From the perspective of

the scope of the topic, the breadth and depth of the research, this research chose a research design with a case study. A case study in a state-owned company operating in the airline sector, namely PT. Garuda Indonesia (Persero) Tbk.

2.5. Data Analysis Technique

The approach used in this research is a quantitative descriptive approach. The steps of quantitative data analysis for this research are: Analyze financial statement data so that financial reports can be justified for their accuracy, in this study researchers got the data from the financial statement website through (www.idx.co.id) researched in the years 2017-2019. Researchers will assess and assess EVA (economic value added), MVA (market value added), FVA (financial value added) in 2017-2019.

3. RESULT AND DISCUSSION

3.1. Result Using EVA Method

Table 3.1 EVA Calculation Results PT Garuda Indonesia (Persero) Tbk

Year	EVA
2017	7,522,466.10
2018	79,182,824.89
2019	(26,484,789.27)

Source: Data processed (2020)

Primarily based on table 3.1 the effects of the calculation of EVA, regarding the results of financial performance that can be seen using the EVA method which shows that the financial performance of PT. Garuda Indonesia (Persero) 2017-2019 periode. The result of EVA in 2017 was 7,522,466.10 USD and 2018 was 79,182,824.89 USD, these results indicate that EVA is positive or > 0 because operating profit after tax (NOPAT) is greater than cost of capital. With these results that PT Garuda Indonesia (Persero) Tbk in 2017-2018 has the strength and attraction to attract investors to invest their capital.

In 2019 the EVA value of the company became negative at (26,484,789.27) USD. So in 2019 there was a decrease in the value of EVA because the cost of debt was greater than the cost of equity. The high cost of debt compared to the cost of equity indicates wealth waste. A negative EVA is a warning that the company's finances are in danger because NOPAT is less than the costs incurred so that the company's value decreases. With a decrease in the value of EVA, it can reduce the interest of investors to invest in the company.

3.2. Result Using MVA Method

Table 3.2 MVA Calculation Results PT Garuda Indonesia (Persero) Tbk

Year	MVA
2017	(926,506,229.32)
2018	(628,144,646.15)
2019	(720,229,792.91)

Source: Data processed (2020)

Based on table 3.2, the MVA calculation, regarding the results of financial performance can be seen using the MVA method which shows that the financial performance of PT. Garuda Indonesia (Persero) Tbk for the period 2017 to 2019 is negative or $MVA < 0$. For 3 years the company has not been able to provide welfare for its shareholders. In 2017 with an MVA of (926,506,229.32) USD with a stock market value of 10,967,436.57 USD. The following year the MVA result fell to (628,144,646.15) USD with a stock market value of 11,661,909.86 USD. In 2019 the value of MVA has increased, although it is not too big so that it becomes (720,229,792.91). This increase was due to the decline in stock market value from 11,661,909.86 USD to 393,098.09 USD.

3.3. Result Using FVA Method

Table 3.3 FVA Calculation Results PT Garuda Indonesia (Persero) Tbk

Year	Financial Value Added (FVA)
2017	796,341,546
2018	586,887,708
2019	973,348,861

Source: 2020 data processed

Based on table 3.3, the calculation of FVA, regarding the results of financial performance that can be seen using the FVA method which shows that the financial performance of PT. Garuda Indonesia (Persero) Tbk for the period 2017 to 2019 has fluctuated every year. From 2017 to 2019 PT. Garuda Indonesia (Persero) Tbk has been able to obtain a positive FVA value, where the operating profit after tax (NOPAT) and depreciation have been able to cover equivalent depreciation (ED) or $NOPAT + D > ED$. So, a positive FVA shows that the company's management has succeeded in increasing the wealth of its shareholders. The increase in FVA was strongly influenced by the growth in sales volume (sales growth) of PT. Garuda Indonesia (Persero) Tbk from 2018 to 2019 where this sales growth is an indicator of company growth and this is also a value driver for the creation of a positive FVA.

3.4. Results Using EVA, MVA FVA Methods

Table 3.4 Results of Calculation of EVA, MVA, and FVA PT. Garuda Indonesia (Persero) Tbk

Years	(EVA)	(MVA)	(FVA)
2017	7,522,466.10	(926,506,229.32)	796,341,546
2018	79,182,824.89	(628,144,646.15)	586,887,708
2019	(26,484,789.27)	(720,229,792.91)	973,348,861

Source: Data processed (2020)

Based on table 3.4, the calculation results use the EVA, MVA and FVA methods. This method is a measurement of financial performance as seen from the company's financial statements, namely by assessing financial performance which is measured using value added which can be explained by measuring EVA, MVA and FVA, where:

For performance appraisal using EVA for 2017 to 2018 it has increased so that it is more than 0, this is because the cost of capital is smaller than the NOPAT value so that there is still profit left after the company pays its obligations. So that it can meet the expectations of funders, especially shareholders, which is to get a return that is equivalent to the investment that has been invested and creditors get interest, it can be said that the company's financial performance is good. However, in 2019 it decreased so that it obtained a negative EVA value and was less than 0, this shows that there was no economic value added process in the company so that NOPAT was not able to cover the company's capital costs. The value of EVA in 2019 was (26,484,789, 27) USD is caused by an increase in the cost of capital and the company has not been able to pay its obligations to funders. So it can be said that the company's performance is not good.

For financial performance assessment using MVA for 2017 to 2019 has decreased and fluctuates, even MVA received a negative value and was less than 0, this shows that the company's financial performance has decreased. Where the negative MVA indicates that the value of the investment carried out by management is less than the capital given to the company, so it is said that the financial performance is not good. If $MVA > 0$ or positive means that management has been able to increase shareholder wealth and $MVA < 0$ or is negative indicates that management is unable to increase shareholder wealth.

For the assessment of financial performance using FVA for 2017 to 2019 it has increased so that the FVA value is positive and is more than 0, this shows that the company's financial performance has increased. If $FVA > 0$ or positive, this indicates that there has been a financial added value or net profit of the company and

the depreciation is able to cover the equivalent depreciation so that the company's financial performance in terms of internal financial capacity is quite good. A positive FVA value also shows that the fixed assets owned by the company contribute to the creation of company profits. This means that the fixed assets owned by the company are able to function optimally and increase the company's profits.

4. CONCLUSION

Based on the above discussion about EVA, MVA and FVA at PT Garuda Indonesia (Persero) Tbk, it can be said as follows:

EVA Method

Based on Economic Value Added at PT. Garuda Indonesia (Persero) Tbk in 2017-2018 was able to create economic added value for its company, with an EVA value > 0 or positive value and it was said that its financial performance was good. However, in 2019 the value of EVA < 0 or negative means that the company's management is not able or unsuccessful to create economic added value for the company, so that the profits generated cannot meet the expectations of creditors and shareholders and it is said that the financial performance is not good.

MVA Method

Based on the analysis of Market Value Added at PT. Garuda Indonesia (Persero) Tbk for the 2017-2019 period, has not been able to create added market value for the company. This can be seen from the average value of MVA which is negative or MVA < 0, so that management is unable to provide added value or reduction through the growth in market capitalization value of issued shares or share prices below and below book value. This indicates that the financial performance is not good.

FVA Method

Based on the results of the financial value added (FVA) analysis at PT. Garuda Indonesia (Persero) Tbk in 2017-2018 experienced a decrease in the average FVA, but it is still positive. In 2019, an increase from the previous year, this means that the company's management has been able to create added financial value for the company. Because the average FVA value from 2017-2019 is always positive, because the company's net profit and depreciation can cover equivalent depreciation and it can be said that its financial performance is good.

5. SUGGESTION

From the results of the conclusions that have been described, the researcher will provide several suggestions, namely as follows:

For PT. Garuda Indonesia (Persero) Tbk, so that companies pay more attention to the method of corporate financial performance, this is intended so that the company can more easily assess the company's financial performance, and increase the value of the company's financial performance by increasing the level of company profit and reducing the use of loan capital to finance operational activities. company.

For investors and potential investors, before making a decision to invest, it is better to pay attention to the financial performance of the company for at least the last 3 years.

For readers, if you want to do research using EVA, MVA, and FVA methods, it is hoped that you will choose a company that has complete and detailed financial reports so that the analysis results can be maximized.

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