The Fınancıal Performance of Telecommunıcatıons Companıes Jakarta Islamıc Index Before and Durıng the Covid-19 Pandemıc

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Abstract. Since the outbreak of the covid-19 virus that was first discovered in Wuhan in China in 2019. Forcing people to do all activities at home. Moreover, large-scale social restrictions (PSBB) were imposed until the implementation of community activity restrictions (PPKM) caused almost all community activities in various sectors to be carried out online. As a result of this implementation causing people's need for fast internet to increase rapidly, this increase should be able to affect the profits of internet service provider companies which can affect the company's performance. This study aims to determine the differences in financial performance before and during the Covid-19 pandemic in telecommunications companies listed in the Jakarta Islamic Index. The sampling method in this study used saturated sampling, where all populations were sampled so that 10 telecommunications companies were obtained. The analysis method used is the Paired Sample T-Test. The results of the study found that there was no difference in financial performance before and during the Covid-19 pandemic in telecommunications companies registered with JII in terms of Current Ratio and Net Profit Margin.

Keywords: Financial Performance · Current Ratio · Net Profit Margin · Covid-19

1 Introduction

The coronavirus pandemic or commonly known as Covid-19 first appeared in the Chinese city of at the end of 2019, then spread rapidly throughout the world. Confirmed Covid-19 cases appeared Wuhan for the first time in Indonesia on March 2, 2020, as many as 2 cases. On October 18, 2020, the number of confirmed cases was 361,867 and active cases were 64,032 and there has been no trending decline in the number of cases per day (Covid-19 Task Force, 2020). In order to prevent the spread of covid, various risk mitigation efforts have been carried out, including the implementation of Large-Scale Social Restrictions

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(PSBB) to the Implementation of Community Activity Restrictions (PPKM) carried out by the government and has been applied to several provinces in recent periods. The implementation of PSBB and PPKM aims to limit community social activities with action plans such as closing malls, markets, schools, train lines, or temporary closures of public transportation routes. Most companies and business fields also implement scenarios for covid prevention, including work from home (WFH) both some and all employees. In the education sector, the face-to-face teaching and learning process is stopped and replaced with online learning (online) or online learning. This applies from pre-school to tertiary education. The implementation of health protocols is carried out strictly, including the mandatory use of masks, social distancing and frequent hand washing with fines or social work sanctions for violators.

The occurrence of the corona pandemic has serious impacts in various sectors such as the health sector, economy, transportation and other industrial fields. People's mobility has also decreased very drastically with the restrictions on PSBB, PPKM, lockdowns, regional quarantines and the like. The occupation of hotels, recreational places, malls, public transportation both land, sea and air also decreased significantly. However, the telecommunications sector is one of the industries that remains resilient to the Covid-19 pandemic. This has a broad impact on the economy and the maximum need for fast telecommunications. The development of the internet is so fast, reaching all over the world and every business person wants products and services to be known by the public at large, including in Indonesia. From the survey data that has been conducted by a global index institution, Indonesia has the 6th largest ranking in the world in internet users. The existence of the internet, communication will be easier anywhere and anytime.

Based on the data above, the need for the internet before and during the pandemic increased, this increase is assumed to affect the financial performance of telecommunications internet service providers in Indonesia. Financial performance is a picture of the company's success in financial processing which can be interpreted as the results that have been achieved for various activities that have been carried out by the company. A healthy company is a company that is able to pay its short-term debt and vice versa the company is said to be unhealthy if it is unable to pay its short-term debt. However, from the data collected by researchers from the financial statements of telecommunications companies in the Jakarta Islamic Index, the profits of several companies have increased and decreased since the Covid-19 pandemic, despite the increasing number of community activities through the internet network. This has an effect on how the company pays short-term obligations. As in the net profit of PT. Telkom Indonesia tbk in 2020 amounted to 29,563, an increase greater than 2019 of 27,592. While at PT. XL Axiata in 2020 amounted to 371,598 decreased in 2019 by 7,145,648.

Based on the research of [1], the results of the study found that there was no difference in financial performance before and during the Covid-19 pandemic in Telecommunications companies listed on the IDX in terms of liquidity, profitability and activity ratios while the Solvency ratio based on the results of the analysis found significant differences. For the companies studied in this study to pay more attention to the financial performance of their companies well so that they can attract more investors. The description above makes researchers interested in conducting comparative research on financial performance before and during the Covid-19 pandemic on telecommunications companies

registered with JII. For this reason, the author titled the research with the title "Comparative Analysis of the Financial Performance of Telecommunications Companies Listed in the Jakarta Islamic Index Before and During the Covid-19 Pandemic".

2 Literature Review

2.1 Signaling Theory

Signal theory is carried out by the company's management to provide information to investors about the condition of the company [2]. The information provided is in the form of company financial statements that show the performance of the company. Analysis of the company's financial performance before and during the Covid-19 period using financial ratios will produce signals regarding the company's performance so that the company's condition before and during the Covid-19 period can be clearly seen. Signal theory is an action carried out by company management that provides clues to investors about how the company perceives the company's prospects. Signal theory explains that companies have the drive to provide information to external parties. The company's motivation to provide information is because there is asymmetric information between the company and external parties. External parties assess the value of the company as a function of different signaling mechanism.

2.2 Financial Performance

According to the Indonesian Institute of Accountants (IAI), financial performance shows how strong a company is in managing its resources. Financial performance can be beneficial for the company as well as for outsiders. The benefit for the company is that it can be used as a consideration for future actions [3].

2.3 Jakarta Islamic Index (JII)

The Jakarta Islamic Index (JII) is a sharia stock index that was first launched on the Indonesian capital market on July 3, 2000. The JII's constituents only consist of the 30 most liquid sharia stocks listed on the IDX. Similar to ISSI, the review of sharia shares which are JII's constituents is carried out twice a year, in May and November, following the DES review schedule by the OJK. IDX determines and selects sharia shares that are JII's constituents. The liquidity criteria used in selecting 30 Islamic stocks that are JII's constituents are as follows:

- Sharia stocks that are included in the constituents of the Indonesian Sharia Stock Index (ISSI) have been listed for the last 6 months
- Selected 60 stocks based on the order of the highest average market capitalization in the last 1 year
- From the 60 stocks, 30 stocks were selected based on the highest average daily transaction value in the regular market
- The remaining 30 shares are selected shares.

2.4 Telecommunication Company in Indonesia

Technological developments have transformed the telecommunications industry in the world. The shift of legacy telecommunications (voice and SMS) to data-based telecommunications is supported by the massive development of the internet. The availability of telecommunication infrastructure and access in Indonesia has encouraged the rapid growth of internet usage through wireless access. The growth of data traffic in Indonesia is increasing every year, but the increase in data traffic is not directly proportional to the increase in the income of telecommunication operators. The telecommunications services sector has contributed to Indonesia's GDP as the largest contributor to non-tax state revenues (PNBP) from the Information and Communications sector, through the payment of Frequency Usage Rights Fees (BHP). However, if viewed from the trend, the share of telecommunications services to GDP of Information and Communication has decreased.

The trend of telecommunications services has shifted, where the volume of data communication services exceeds voice and SMS services [4]. This is partly due to the increased penetration of smart devices, both tablets and smartphones. Although data services are experiencing rapid growth, it does not necessarily increase the revenue of service providers. This is because consumers tend to want data communication services at more affordable rates, but on the other hand, the investment costs (OPEX and CAPEX) of telecommunications networks remain (Checko et al., 2015). Therefore, service providers need to consider several solutions aimed at saving telecommunications network investment costs for the company's business sustainability, as well as being able to provide quality data communication services at affordable prices for consumers. According to (GSM Association, 2012; Jose & March, 2010), network sharing provides a number of benefits for telecommunication operators and consumers.

2.5 Hypothesis

Ha1: There is no difference in Current Ratio Before and During the Covid-19 Pandemic in Telecommunication Companies Registered in Jakarta Islamic Index

Ha2: There is no difference in Net Profit Margin Before and During the Covid-19 Pandemic in Telecommunication Companies Registered in Jakarta Islamic Index

3 Method

3.1 Types of Research

The type of research that the author uses is quantitative research and uses a comparative approach method, which is a research method that is carried out to compare two or three events by looking at the cause. This study aims to find out whether there is a comparison of the financial performance of Telecommunication Companies Listed in the Jakarta Islamic Index Before and During the Covid-19 Pandemic.

Table 1. Samples

No.	Company
1	PT Telkom Indonesia Tbk
2	PT XL Axiata Tbk
3	PT Indosat Tbk
4	PT Smartfren Telecom Tbk
5	PT Jasnita Telekomindo Tbk
6	PT Tower Bersama Infrastructure Tbk
7	PT Daya Mitra Telekomunikasi Tbk
8	PT Sarana Menara Nusantara Tbk
9	PT Gihon Telekomunikasi Indonesia Tbk
10	PT Protech Mitra Perkasa Tbk

3.2 Data Sources

To collect data from the information obtained in this study the authors used secondary data. Secondary data is data obtained in a ready-made form, already collected and processed by other parties, usually already in the form of publications. The secondary data in this study is the current ratio and net profit margin of Telecommunication Companies Listed in the Jakarta Islamic Index for the 2016–2021 period, in this case the 2016–2018 period is the period before Covid-19 and the 2019–2021 period is the period during the Covid-19 pandemic.

3.3 Population and Sample

Population is a generalized area consisting of subjects/objects that have certain qualities and characteristics that are determined by the researcher to be studied and then drawn conclusions. The population in this study is all companies listed in the Jakarta Islamic Index. A sample is part of the number and characteristics possessed by that population.. The sample of this study is telecommunications companies listed in the Jakarta Islamic Index for the 2016–2021 period. The following are presented telecommunications companies listed in the Jakarta Islamic Index for the 2016–2021 period (Table 1).

3.4 Operational Definition of Variables

Current Ratio is one of the most commonly used ratios to measure a company's liquidity or ability to meet short-term obligations without facing difficulties. In addition, according to [5] that the current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that mature immediately at the time of collection as a whole.

This ratio shows the extent to which current assets cover current liabilities. The greater the comparison of current assets with current debt, the higher the company's

ability to cover its short-term liabilities. This ratio can be made in the form of how many times or in the form of a percentage. If the current ratio is 1: 1 or 100% this means that current assets can cover all current debt. A better current ratio is if it is above 1 or 100%. This means that current assets must be well above the amount of current debt [2].

Net profit margin is a measure of a company's profitability from sales after accounting for all costs and income taxes. Profit margin is an indicator of a company's price revenue strategy and how well it controls costs. According to Brigham and Houston (2013) "Net Profit Margin is a measure of the size of a company's net profit compared to its sales. Net profit margin is useful for net sales results over a certain period and is used to measure the net profit of each rupiah of a company's sales. The greater this ratio, the better the company's operating situation [5].

3.5 Data Collection Techniques

1. Documentation

Analysis of the document leads more to concrete evidence. With this instrument, we are invited to analyze the contents of documents that can support our research.

2. Literature Study

This research is based on materials from the library by collecting data in the form of theories sourced from literature, books, and writing materials as well as documentation related to this research.

3.6 Data Analysis Methods

Normality test is a preliminary analysis and is a prerequisite for whether a statistical data analysis technique can be used to test hypotheses. If it is not normally distributed, some non-parametric statistical techniques can be used as an alternative. Test the normality of the data using the Kolmogrov-Smirnov test. The basis for decision making in the normality test is that if the significance value is more than 0.05 then the data is normally distributed. Conversely, if the significance value is less than 0.05 then the data is normally distributed.

The paired sample t test is used when the data is normally distributed, and has homogeneous variance. The basis for making decisions based on the significance value of the SPSS output results is that if the significance value <0.05 then the alternative hypothesis (Ha) is accepted.

4 Results and Discussion

4.1 Result

Based on the results of statistics in Table 2.

Based on the results of the normality test above, it is known that the significance value on the Exact Sig (2-tailed) is greater than 0.5, so it can be concluded that the residual value is normally distributed.

Table 2. Tests of Normality

One-Sample Kolmogorov-Smirnov Test

		TLKM	EXCL	ISAT	FREN	JAST	TBIG	MTEL	TOWR	GHON	OASA
N		6	6	6	6	6	6	6	6	6	6
Normal Parameters[a,b]	Mean	90.9500	41.6033	49.1917	32.9500	91.7800	63.0833	89.7717	70.4967	41.2933	464.1650
	Std. Deviation	19.92241	5.65143	10.25526	8.17312	33.34510	44.82378	118.49864	41.98839	23.06446	407.75880
Most Extreme Differences	Absolute	.169	.218	.254	.188	.149	.259	.445	.318	.304	.266
	Positive	.169	.163	.248	.188	.149	.259	.445	.318	.304	.266
	Negative	-.120	-.218	-.254	-.142	-.116	-.188	-.248	-.191	-.198	-.199
Kolmogorov-Smirnov Z		.415	.533	.622	.461	.364	.636	1.090	.778	.745	.651
Asymp. Sig. (2-tailed)		.995	.938	.835	.984	.999	.814	.186	.580	.636	.790
Exact Sig. (2-tailed)		.982	.885	.754	.956	.996	.730	.133	.482	.538	.703
Point Probability		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000

a. Test distribution is Normal.

b. Calculated from data.

Table 3. Paired Sample T- Test Current Ratio 2016–2019

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
			Std. Error	95% Confidence Interval of the Difference				
	Mean	Std. Deviation	Mean	Lower	Upper			
Pair 1 sebelum - sesudah	-1.57400	55.06137	17.41193	-40.96253	37.81453	-.090	9	.930

Based on the data from Table 3, it can be seen that the test results of the difference in Current Ratio before and during the Covid-19 pandemic were obtained Sig (2-tailed) $0.930 > 0.05$.

Table 4. Paired Sample T- Test Current Ratio 2017–2020

Paired Samples Test

	Paired Differences					t	df	Sig. (2-tailed)
			Std. Error	95% Confidence Interval of the Difference				
	Mean	Std. Deviation	Mean	Lower	Upper			
Pair 1 sebelum - sesudah	73.81400	155.63683	49.21669	-37.52188	185.14988	1.500	9	.168

Table 5. Paired Sample T-Test Net Profit Margin 2016–2019

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	sebelum - sesudah	.09930	18.53149	5.86017	-13.15733	13.35593	.017	9	.987

Based on the data from Table 4, it can be seen that the test results of the difference in Current Ratio before and during the Covid-19 pandemic were obtained Sig (2-tailed) 0.168 > 0.05.

Based on the data from Table 5, it is known that the test of the difference in net profit margin ratio before and during the Covid-19 pandemic was obtained Sig (2-tailed) 0.987 > 0.05.

Based on the data from Table 6, it is known that the test of the difference in the net profit marginr atio before and during the Covid-19 pandemic was obtained by Sig (2-tailed) 0.788 > 0.05 (Table 7).

The results of the hypothesis test showed that the current ratio did not have a significant difference before and during the pandemic.

Table 6. Paired Sample T-Test Net Profit Margin 2017–2020

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1	sebelum - sesudah	2.21720	25.31567	8.00552	-15.89254	20.32694	.277	9	.788

Table 7. Hypothesis Test

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	Upper
sebelum	Equal variances assumed	4.745	.043	-1.135	18	.271	-114.68707	101.02094	-326.92420	97.55006
	Equal variances not assumed			-1.260	10.141	.236	-114.68707	91.02891	-317.13114	87.75700

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
sebelum	Equal variances assumed	.580	.456	.304	18	.765	2.51756	8.27922	-14.87644	19.91155
	Equal variances not assumed			.298	15.645	.769	2.51756	8.43766	-15.40252	20.43763

The results of the hypothesis test on the net profit margin did not differ before and during the Covid-19 pandemic.

4.2 Discussion

This study aims to find out whether there are significant differences in financial performance in telecommunications companies in the Jakarta Islamic Index before and during the Covid-19 pandemic. Based on the table of T test results that have been described above, it is known that:

1. Differences in Current Ratio Before and During the Covid-19 Pandemic in Telecommunication Companies Listed in the Jakarta Islamic Index

The results of the hypothesis test showed that the current ratio did not have a significant difference before and during the pandemic. This is shown by the pvalues of 0.271 and 0.236 > 0.5, so it can be concluded that the current ratio has an insignificant difference before and during the COVID-19 pandemic.

2. Differences in Net Profit Margin Before and During the Covid-19 Pandemic in Telecommunication Companies Listed in the Jakarta Islamic Index

The results of the hypothesis test on the net profit margin did not differ before and during the Covid-19 pandemic. This is shown in the pvalues of 0.765 and 0.679 > 0.05, so it can be concluded that net profi margin there was an insignificant difference before and during the covid-19 pandemic. This research is in line with previous research where the research of [1], the results of the study found that there was no difference in financial performance before and during the Covid-19 pandemic in Telecommunications companies listed on the IDX in terms of liquidity, profitability and activity ratios while for solvency ratios based on the results of the analysis, significant differences were found.

5 Conclusion

Based on the results of data processing and analysis, it can be concluded that:

1. From the results of the Independent Sample T-test, can be concluded that there is an insignificant difference in the current ratio before and during the covid-19 pandemic. So Ho is accepted and Ha is rejected.
2. From the results of the Independent Sample T-test, can be concluded there was an insignificant difference in net profit margin before and during the covid-19 pandemic. So Ho is accepted and Ha is rejected.

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