



Analysis of Financial Performance in SOE Building Construction Sub-Sectors Listed on The Indonesia Stock Exchange for the 2017-2021 Period

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Abstract

The purpose of this study is to determine the financial performance of SOEs in the building construction sub-sector listed on the Indonesia Stock Exchange for the 2017-2021 period. This type of research is descriptive research, with the location of the research at the STIEM Bongaya Makassar Investment Gallery to obtain data on the company's financial statements and visit the www.idx.co.id page to get supporting data. The research was conducted using financial ratio analysis techniques. The object of this study is a state-owned enterprise engaged in the building construction sub-sector that has gone public. The data used comes from secondary sources in the form of company financial statements. In this study, liquidity, solvency, activity, profitability, and market value ratios were used as analytical tools. This study used four state-owned enterprises in the building construction sub-sector that conducted stock offerings on the Indonesia Stock Exchange between 2017-2021 as samples. The results of the study as a whole show that based on the calculations and analysis carried out on the overall ratio, PT. Pembangunan Perumahan (Persero) Tbk. and PT Wijaya Karya (Persero) Tbk. are companies with a better level of financial performance compared to state-owned enterprises in other building construction sub-sectors.

Keywords Activity Ratio, Financial Performance, Liquidity Ratio, Market Value Ratio Profitability Ratio, Solvability Ratio.

INTRODUCTION

State-Owned Enterprises (SOE) are one of the many actors in economic activity in the national economy. One of the aims and objectives of SOEs ideals is to contribute to the development of the national economy in general and state revenue in particular. The manifestation of these aims and objectives is in the form of the contribution of the amount of dividends given by SOEs in the form of a company to the state. SOEs through limited liability companies (Persero) and companies generally have the main objective of pursuing profits in order to increase the value of the company. So that in its operations the company will continue to strive to generate maximum profits to maintain the continuity of its business or business.

The company's financial condition can be understood by analyzing financial statements and the company's financial performance can be measured using financial ratios (Mende and Rate, 2017). Diana and Osesoga (2020), said that the importance of financial performance can be felt by various parties. For companies, the more efficient financial performance means the company has succeeded in achieving its goal of generating profits. This can be used as a basis for decision making for managers in investing, maximizing operations, and sharing profits with shareholders. Then from the external side of the company, the company's financial performance can be used as a consideration in making decisions such as investor decisions that are more interested in investing in companies with good financial performance than companies with poor financial performance. This is due to



the consideration that a company with good financial performance is a company that can generate the maximum possible profit so that it is expected to have a high rate of return.

The company's financial performance can generally be measured by several types of financial ratios. The ratios in question are liquidity ratios, solvency ratios, activity ratios, profitability ratios, and market value ratios. In private companies, the government does not standardize financial performance appraisal so that it can carry out an analysis using these ratios. Unlike the performance appraisal of private companies, the performance appraisal of SOEs companies is assessed using the regulations set by the Minister of SOEs (Agustin, 2016).

SOEs in the infrastructure sector (building construction sub-sector) are several state-owned companies engaged in building construction services. In the infrastructure sector (building construction sub-sector), there were 4 state-owned companies offering shares on the Indonesia Stock Exchange, namely PT. Adhi Karya (Persero) Tbk., PT. Wijaya Karya (Persero) Tbk., PT. Pembangunan Perumahan (Persero) Tbk., and PT. Waskita Karya (Persero) Tbk.

Based on initial observations made on the financial reports of the infrastructure sector SOEs (building construction sub-sector) for the last 5 years, the financial condition of 4 SOEs issuers showed fluctuating values and there was a downward trend in the 2020 period where each company experienced a significant decrease in profits from previous period. Then in the 2021 period, the profits obtained by the four companies are still quite low. In fact, there are still companies that record losses, namely PT Waskita Karya (Persero) Tbk. which posted a negative value on the profit item in its financial statements.

Considering that one of the objectives of establishing a SOEs is to contribute to the development of the national economy in general and state revenue in particular, monitoring and control measures are needed on the company's financial performance. Monitoring and control will be carried out by collecting company financial data, analyzing data using financial ratio analysis techniques, and interpreting data resulting from processing financial ratios.

LITERATURE REVIEW

Financial Performance

According to Faisal, et al. (2017: 10), a company's financial performance is a description of a company's financial condition which is analyzed with financial analysis tools, so that it can be known about the pros and cons of a company's financial condition that reflects work performance in a certain period. This is very important so that resources are used optimally in dealing with environmental changes. Susianti (2018: 4) in his research also provides the view that "company financial performance is the company's ability to run its business financially as shown in financial reports".



Financial Ratio Analysis

According to Faisal, et al. (2017: 10), "ratio analysis is a financial statement analysis technique that describes a relationship or balance between an item or a group of other items, both listed on the balance sheet and income statement". Agustin (2016: 107) in his research also provides a definition of financial ratios is a number obtained from the results of a comparison of one financial report item with another post that describes the good and bad condition of the financial position of a business entity, especially if the ratio number can be compared with the number comparison ratio used as standard.

Financial ratio analysis is carried out to evaluate the condition and financial performance of a company so that the company's weaknesses and strengths are identified in terms of managing its operations to generate profits. Information obtained from the results of ratio analysis is needed by various parties for different interests, especially for consideration in making decisions related to finance and using resources efficiently and effectively in the future (Faisal, et al., 2017). Meanwhile, according to Albahi (2015), as a way to get an overview of the company's finances, financial ratios are intended to provide an overview of the company's financial performance to those who have an interest in the company and to examine the health level of the company being observed. Financial ratios that can be used in analyzing financial reports in financial reports are liquidity ratios, solvency ratios, activity ratios, profitability ratios, and market value ratios.

Benchmarks for Comparison

Prihadi (2020) in his book argues that when explaining financial ratios, questions arise regarding how big the ratio number is the standard for evaluating good or bad financial performance as seen from the results of processed data. Thus, a comparison is needed to make it easier to interpret the data from the analysis. To obtain comparisons, there are several ways, namely by comparing the values obtained with the values of companies that are used as benchmarks, values from industry averages, past data (e.g. last year), and company goals (e.g. budget).

Industry Averages as A Comparison Tool

According to Suharti, et al. (2017), if there is no standard value used as a comparison tool for interpreting a company's financial ratios, the analyst cannot conclude whether the ratios show good or bad financial performance. Comparison of the standard value ratio with the ratio of a company will make it easy for analysts to determine whether the ratio of the company in question is above average or below average. The most appropriate average description to use as a ratio value comparison is the industry ratio (combination of similar companies).

IMPLEMENTATION METHOD

The financial performance analysis carried out is included in the type of descriptive research. The research was conducted on SOEs in the infrastructure sector (building construction sub-sector) listed on the Indonesia Stock Exchange for the 2017-2021 period).



The data used is in the form of company financial report data obtained from the STIEM Bongaya Makassar Investment Gallery and visiting the www.idx.co.id page to get supporting data. Based on the criteria set by the researcher, the samples for this study were PT Adhi Karya (Persero) Tbk., PT Wijaya Karya (Persero) Tbk., PT Pembangunan Perumahan (Persero) Tbk., and PT Waskita Karya (Persero) Tbk.

In this study, the company's financial data that has been collected is then calculated using financial ratio analysis techniques. The results of these calculations are ultimately analyzed based on predetermined value parameters. The financial ratios used to solve the problems in this study are as follows:

1. Liquidity Ratio

In this study, company liquidity will be measured by the current ratio and cash ratio.

2. Solvency Ratio

The company's solvency will be measured by the debt to assets ratio and debt to equity ratio.

3. Activity Ratio

Calculation of the company's activity ratio is calculated using the inventory turnover ratio and the ratio of total asset turnover.

4. Profitability Ratio

Measurement of profitability ratios uses the ratio of return on assets and return on equity.

5. Market Valuer Ratio

The measurement of the company's market value uses the price earning ratio (PER).

After obtaining the results of data processing using these ratios, then a comparison is made of the value of each ratio with the industry average value. The following table provides the industry average value of each financial ratio that has been processed by researchers:

Table 1
Industry Average Value of Each Financial Ratio

Financial Ratio	Period				
	2017	2018	2019	2020	2021
Current Ratio	164,65%	159,44%	181,96%	164,03%	156,26%
Cash Ratio	38,42%	32,80%	43,08%	30,20%	32,20%
DAR	58,70%	59,97%	58,17%	56,90%	53,50%
DER	180,33%	203,16%	340,98%	307,42%	170,72%
IT	87,44	221,11	220,6	178,18	143,51
TATO	0,66	0,65	0,63	0,41	0,44
ROA	5,36%	3,14%	1,88%	-4,51%	-6,12%
ROE	13,03%	8,42%	-14,90%	-62,24%	-11,53%
PER	19,65	68,64	-12,47	19,35	153,84

Source: Data processed by researchers, October 2022

RESULTS AND DISCUSSION

Financial Ratio Analysis Results

1. Liquidity Ratio Analysis

a. Current Ratio



Table 2
Results of Calculation of the Current Ratio of SOEs in the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	140,74%	134,09%	123,77%	111,16%	101,52%
PTPP	144,48%	141,52%	136,78%	121,22%	111,90%
WIKA	134,40%	154,17%	139,49%	108,63%	100,59%
WSKT	100,23%	117,94%	108,92%	67,45%	156,00%

Source: Data processed by researchers, October 2022

The results of calculating the current ratio of SOEs in the Building Construction Sub-Sector for the period 2017 to 2021 show that the current ratio value of the four companies in the period 2017 to 2021 is always below the industry average. The highest current ratio value that is closest to the industry average value each year is recorded by PT Pembangunan Perumahan (Persero) Tbk. in the 2017 and 2020 periods, followed by PT Wijaya Karya (Persero) Tbk. in the 2018 and 2019 periods, and PT Waskita Karya (Persero) Tbk. in the 2021 period. From this comparison of values, during the period 2017 to 2021 PT Pembangunan Perumahan (Persero) Tbk. and PT Wijaya Karya (Persero) Tbk. are companies that each record 2 times the current ratio value which is closest to the industry average value. Therefore, the value of the current ratio of the two companies is better than the other 2 companies.

b. Cash Ratio

Table 3
Calculation Results of SOEs Cash Ratio in the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	23,43%	17,21%	13,29%	8,73%	10,13%
PTPP	45,33%	32,60%	29,86%	26,84%	21,90%
WIKA	43,32%	49,46%	34,09%	33,85%	18,89%
WSKT	11,64%	19,09%	20,56%	2,52%	48,23%

Source: Data processed by researchers, October 2022

The results of the calculation of the SOEs cash ratio in the Building Construction Sub-Sector for the period 2017 to 2021 show the cash ratio value of PT Wijaya Karya (Persero) Tbk. in 2017, 2018 and 2020 were above the industry average. In the 2017 period, PT Pembangunan Perumahan (Persero) Tbk. also recorded a cash ratio value that was above the industry average value and in the 2021 period PT Waskita Karya (Persero) Tbk. recorded a cash ratio value above the industry average value. PT Adhi Karya (Persero) Tbk. being the only company that does not record a value above the industry average. From this comparison of values, PT Wijaya Karya (Persero) Tbk. is a company that records a better cash ratio than the other 3 companies.



2. Solvency Ratio Analysis

a. Debt to Assets Ratio (DAR)

Table 4
Calculation Results of the Debt to Assets Ratio of SOEs in the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	79,28%	79,13%	81,28%	85,37%	85,82%
PTPP	65,91%	68,95%	70,72%	73,81%	74,21%
WIKA	67,97%	70,93%	69,06%	75,54%	74,87%
WSKT	76,76%	76,78%	76,25%	84,30%	85,08%

Source: Data processed by researchers, October 2022

The results of the calculation of the debt to assets ratio of SOEs in the Building Construction Sub-Sector for the period 2017 to 2021 show that the value of the debt to assets ratio of the four companies in the period 2017 to 2021 is always above the industry average value. The debt to assets ratio value that is closest to the industry average value in the periods 2017, 2018, 2020 and 2021 was recorded by PT Pembangunan Perumahan (Persero) Tbk. while for 2019 it was recorded by PT Wijaya Karya (Persero) Tbk. Even though the value recorded by this company is still above the industry average, which indicates that financing assets with debt exceeds the industry average, the debt to assets ratio of PT Pembangunan Perumahan (Persero) Tbk. still better than the other 3 companies. From this comparison of values, PT Pembangunan Perumahan (Persero) Tbk. is a company that records a better debt to assets ratio than the other 3 companies.

b. Debt to Equity Ratio (DER)

Table 5
Calculation Results of the Debt to Equity Ratio of SOEs in the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	382,68%	379,19%	434,30%	583,32%	605,24%
PTPP	193,35%	222,08%	241,48%	281,76%	287,81%
WIKA	212,22%	244,05%	223,23%	308,88%	297,97%
WSKT	330,22%	330,61%	321,00%	536,94%	570,06%

Source: Data processed by researchers, October 2022

The results of the calculation of the debt to equity ratio of SOEs in the Building Construction Sub-Sector for the period 2017 to 2021 show that the debt to equity ratio value that is closest to the industry average value was recorded by PT Pembangunan Perumahan (Persero) Tbk., namely in the periods 2017, 2018 and 2021. In the 2019 and 2020 periods, the debt to equity ratio of PT Pembangunan Perumahan (Persero) Tbk. recorded a value below the industry average. This shows that compared to 3 SOEs in the Other Building Construction Sub-Sector, PT Pembangunan Perumahan (Persero) Tbk. is a company with a proportion of the amount of debt it has that is still safer than the other 3 companies. Then, the value



of the debt to equity ratio is below the industry average in the 2019 and 2020 periods, indicating that the management of funds to finance company assets is quite good because financing from equity is greater than financing using debt. From this comparison of values, PT Pembangunan Perumahan (Persero) Tbk. is a company that records a better debt to equity ratio than the other 3 companies.

3. Activity Ratio Analysis

a. Inventory Turnover (IT)

Table 6
Calculation of SOEs Inventory Turnover for the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	4,12	3,59	3,20	1,71	1,55
PTPP	8,88	5,39	3,89	1,66	1,54
WIKA	15,74	5,21	3,97	1,69	1,63
WSKT	13,97	9,59	7,02	3,85	2,81

Source: Data processed by researchers, October 2022

The results of the calculation of inventory turnover for SOEs in the Building Construction Sub-Sector for the period 2017-2021 show that the inventory turnover value of the four companies in the period 2017 to 2021 is always below the industry average. The value of inventory turnover below the industry average indicates that the efficiency of the company's inventory turnover is not good. In the 2017 period, PT Wijaya Karya (Persero) Tbk. is a company with an inventory turnover value that is closest to the industry average. Then, in the period 2018 to 2021 the company's inventory turnover value that is closest to the difference with the industry average is PT Waskita Karya (Persero) Tbk. Thus, PT Waskita Karya (Persero) Tbk. is a company with better inventory turnover efficiency than the other 3 companies.

b. Total Assets Turnover (TATO)

Table 7
Results of Calculation of Total Asset Turnover of SOEs in the Construction Sub Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	0,53	0,52	0,42	0,28	0,29
PTPP	0,51	0,48	0,42	0,30	0,30
WIKA	0,57	0,53	0,44	0,24	0,26
WSKT	0,46	0,39	0,26	0,15	0,12

Source: Data processed by researchers, October 2022

The results of calculating the total asset turnover of SOEs in the Building Construction Sub Sector for the period 2017 to 2021 show that the total assets turnover value of the four companies in the period 2017 to 2021 is always below the industry average. The total assets turnover value is below the industry average indicating that the effectiveness of the company's total asset turnover is not good because it is still below the industry average. In the period 2017 to 2019, PT Wijaya Karya (Persero) Tbk. is a company with a total asset turnover value that is closest



to the difference with the industry average. Then in the 2020 and 2021 periods the company's total assets turnover value that is closest to the difference with the industry average value is PT Pembangunan Perumahan (Persero) Tbk. From this comparison of values, PT Wijaya Karya (Persero) Tbk. is a company with an effectiveness level of total asset turnover that is better than the other 3 companies.

4. Profitability Ratio Analysis

a. Return on Assets (ROA)

Table 8
Results of Calculation of Return on Assets of SOEs in the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	1,82%	2,14%	1,82%	0,06%	0,22%
PTPP	4,13%	3,73%	2,04%	0,50%	0,65%
WIKA	2,97%	3,50%	4,22%	0,47%	0,31%
WSKT	4,29%	3,71%	0,84%	-8,99%	-1,77%

Source: Data processed by researchers, October 2022

The results of the calculation of the ROA of SOEs in the Building Construction Sub-Sector for the period 2017 to 2021 show that in the 2017 period the ROA values of the four companies were below the industry average. In the 2017 period, PT Waskita Karya (Persero) Tbk. is a company with a ROA value that is closest to the industry average. Then in the 2018, 2020 and 2021 periods, PT Pembangunan Perumahan (Persero) Tbk. recorded the highest ROA value which is above the industry average. PT Wijaya Karya (Persero) Tbk. became the company that recorded the highest ROA value above the industry average in the 2019 period. From this comparison, PT Pembangunan Perumahan (Persero) Tbk. is a company with a better rate of return on assets than the other 3 companies.

b. Return on Equity (ROE)

Table 9
Results of Return on Equity Calculation of SOEs in the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	8,81%	10,26%	9,73%	0,43%	1,53%
PTPP	12,10%	12,01%	6,97%	1,90%	2,52%
WIKA	9,27%	12,04%	13,64%	1,94%	1,23%
WSKT	18,46%	15,99%	3,53%	-57,28%	-11,89%

Source: Data processed by researchers, October 2022

The results of calculating the ROE of SOEs in the Building Construction Sub-sector for the period 2017 to 2021 show that in the 2017 period the ROE value of PT Waskita Karya (Persero) Tbk. being the only company with an ROE value above the industry average. In the 2018 period, PT Waskita Karya (Persero) Tbk. again recorded the highest ROE value above the industry average. In the 2019 and 2020 periods, PT Wijaya Karya (Persero) Tbk. became the company that recorded the



highest ROE value above the industry average. Then in the 2021 period, PT Pembangunan Perumahan (Persero) Tbk. recorded the highest ROE value above the industry average. From this comparison, PT Wijaya Karya (Persero) Tbk. and PT Waskita Karya (Persero) Tbk. is a company that recorded ROE values above the industry average 2 times each during the period 2017 to 2021. However, in the 2021 period, PT Waskita Karya (Persero) Tbk. record the ROE value below the industry average while PT Wijaya Karya (Persero) Tbk. record ROE values above the industry average. Thus, PT Wijaya Karya (Persero) Tbk. is a company with a level of efficiency in using its own capital to generate good returns

5. Market Value Ratio Analysis

a. Price Earning Ratio (PER)

Table 10
Calculation Results of the Price to Earning Ratio of SOEs in the Construction Sub-Sector for the 2017-2021 Period

Company	Period				
	2017	2018	2019	2020	2021
ADHI	13,02	7,68	6,32	219,29	57,74
PTPP	11,28	7,46	10,57	88,81	23,02
WIKA	11,56	8,57	7,81	95,85	84,22
WSKT	7,78	5,75	21,49	-2,65	-15,24

Source: Data processed by researchers, October 2022

The results of calculating the price earning ratio (PER) of SOEs in the Building Construction Sub-Sector for the period 2017 to 2021 show that in the 2017, 2018 and 2021 periods the PER value of all SOEs in the Construction Sub-Sector recorded PER values below the industry average. In the 2017 period, the PER value of PT Adhi Karya (Persero) Tbk. be the PER value below the industry average value that is closest to the difference. In the 2018 period, PT Wijaya Karya (Persero) Tbk. be a company with a PER value below the industry average value that is closest to the difference with the industry average value. In the 2019 period, the four companies recorded PER values above the industry average and PT Waskita Karya (Persero) Tbk. became the company that recorded the highest ROE value above the industry average. In the 2020 period, PT Adhi Karya (Persero) Tbk. became a company that recorded the highest PER value above the industry average. The PER value in this period is the highest PER value ever recorded among the 4 SOEs Construction Sub-Sectors during the period 2017 to 2021. Then in the 2021 period, PT Wijaya Karya (Persero) Tbk. being a company with a PER value below the industry average, which is the second closest difference to the industry average after PT Wijaya Karya (Persero) Tbk. From this comparison of values, PT Adhi Karya (Persero) Tbk. is a company with a better PER value than the other 3 companies.

CONCLUSION

The results of the analysis that was carried out on the SOEs Construction Sector (Building Construction Sub-Sector) for the 2017-2021 period, it can be concluded that seeing



the tendency of companies to dominate in every calculation of financial ratios, PT. Pembangunan Perumahan (Persero) Tbk. and PT Wijaya Karya (Persero) Tbk. become a company with a better level of financial performance compared to other SOEs in the building construction sub-sector.

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