Analysis of Liquidity and Profitability Ratios for Measuring the Financial Performance of PT Tiki JNE Cikupa in 2021-2023

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Abstract. The times affect the company's financial situation. The level of uncertainty and risk is difficult to measure against company performance. Moreover, the impact of COVID-19 has caused many companies to go bankrupt. However, bankruptcy can also be attributed to unhealthy financial factors and high operating costs. Additionally, management errors in handling finances can lead to a decline in the company's financial performance, often due to insufficient analysis of financial reports, which are essential for evaluating the company and making informed policies. PT Tiki JNE Cikupa is one of the companies in Tangerang Regency that has survived the impact of the COVID-19 pandemic. The purpose of this study is to evaluate the financial performance of PT Tiki JNE Cikupa from 2021 to 2023. This research utilizes a descriptive approach with quantitative analysis tools. Data collection is done through the financial statements of PT Tiki JNE Cikupa. The analysis tool uses financial ratios, namely liquidity, solvency, and profitability. The results of this study indicate that the average liquidity ratios are as follows: the current ratio is 145%, the quick ratio is 145%, and the cash ratio is 108%. For profitability ratios, the gross profit margin and net profit margin are 6%, ROI is 13%, and ROE is 9%. In conclusion, the liquidity and profitability ratios indicate that the financial performance of PT Tiki JNE Cikupa is not good.

Keywords: Financial Performance, Financial Ratios, Financial Report.

1. Introduction

As the era changes, it certainly affects the financial situation of the company [1]. Moreover, the level of uncertainty in the current economic situation of the archipelago, plus the covid-19 pandemic polemic that affects the company's financial performance. Of course, the covid-19 pandemic factor from the beginning of 2020 on March 2 made Indonesia enter the covid-19 pandemic zone, so that economic activity was limited [2]. Given that currently Indonesia is just emerging from the downturn of the economic crisis due to the impact of the covid-19 pandemic, even from 2020 to 2021 when covid-19 many companies closed operations, thus affecting the level of state revenue income [3]. Of course not only that factor, the cause of company bankruptcy is due to unhealthy financial factors, plus high operating costs, while sales are small, this makes the company's operating costs not covered and economic activity is limited [4].

In addition, the factor of management errors in managing finances also makes the company's financial performance decline, which can be caused by the lack of analyzing the financial statements which are used as material for evaluating the company to be able to make policies for the survival of the business. Of course, by analyzing financial reports, company management can find out and assess the company's financial condition. One of the companies that is still surviving to date from the impact of the Covid-19 pandemic is PT Tiki JNE Cikupa, which is a sub-agent of PT JNE which is engaged in expedition services.

Performance is a benchmark for assessing the quality of management decisions. If the company's performance is good, its achievements will improve, and creditors will be
more likely to approve loan proposals. Conversely, if the company's performance is unstable, creditors will reconsider loan proposals. At the very least, the company should maintain good business continuity for the long term. In addition, management errors in handling finances can also cause the company's financial performance to decline, often due to insufficient analysis of financial statements [5]. These statements are crucial for evaluating the company's condition and making informed policies for business sustainability. By analyzing financial reports, company management can assess the financial health of the company. PT Tiki JNE Cikupa, a sub-agent of PT JNE engaged in expedition services, has managed to survive the impact of the COVID-19 pandemic.

Previous research by Felani et al. [6] examined the financial performance of logistics companies during economic downturns, highlighting the importance of liquidity and profitability ratios in predicting long-term sustainability. Their findings showed that companies maintaining healthy liquidity ratios were better positioned to navigate financial crises and secure creditor confidence. This research aligns closely with the present study's focus, emphasizing the need for robust financial analysis to ensure business continuity.

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2. Method

This research uses a descriptive research type method with a quantitative analysis approach. The data collection technique uses documents in the form of financial reports of PT Tiki JNE Cikupa. The analysis tool uses financial ratios, namely liquidity, and profitability. The following analysis tools are used as follows:

a. Liquidity ratio, a ratio that illustrates the company's ability to meet short-term obligations [7].

\[
\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Payables}} \times 100\% \quad (1)
\]

\[
\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Availability}}{\text{Current Payables}} \times 100\% \quad (2)
\]

\[
\text{Cash Ratio} = \frac{\text{Cash} + \text{Bank}}{\text{Current Payables}} \times 100\% \quad (3)
\]

b. Profitability ratio means a measuring tool to assess the company's ability to earn profits [8].

\[
\text{Gross profit margin (GPM)} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100\% \quad (4)
\]

\[
\text{Net profit margin (NPM)} = \frac{\text{Net Profit After Tax (EAT)}}{\text{Sales}} \times 100\% \quad (5)
\]

\[
\text{Return On Investment (ROI)} = \frac{\text{Net Profit After Tax (EAT)}}{\text{Total Assets}} \times 100\% \quad (6)
\]

\[
\text{Return On Equity (ROE)} = \frac{\text{Net Profit After Tax (EAT)}}{\text{Total Capital}} \times 100\% \quad (7)
\]
3. Result and Discussion

In his analysis of financial performance at PT Tiki JNE Cikupa, he uses financial ratios and EVA (Economic Value Added). The financial ratios used are liquidity ratios (CR, QR, and cash ratio), and profitability ratios (GPM, NPM, ROI, and ROE). The following table shows the calculation of the liquidity ratios, namely the current ratio, quick ratio, and cash ratio for Tiki JNE Cikupa.

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>Year 2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>97,412,161</td>
<td>86,788,118</td>
<td>60,430,410</td>
</tr>
<tr>
<td>Current Debt</td>
<td>73,654,900</td>
<td>56,854,900</td>
<td>40,052,878</td>
</tr>
<tr>
<td>Current Ratio (CR)</td>
<td>132%</td>
<td>153%</td>
<td>151%</td>
</tr>
<tr>
<td>Quick Ratio (QR)</td>
<td>132%</td>
<td>153%</td>
<td>151%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>92,175,251</td>
<td>67,161,902</td>
<td>32,130,194</td>
</tr>
<tr>
<td>Cash Ratio (CR)</td>
<td>125%</td>
<td>118%</td>
<td>80%</td>
</tr>
</tbody>
</table>

From the table above that it turns out Current Ratio (CR) PT Tiki JNE Cikupa in 2021 was 132%. In 2022 the CR value increased, which amounted to 153%. Then in 2023 there was a decrease in the CR level of 151%. From the table above that it turns out Quick Ratio (QR) PT Tiki JNE Cikupa in 2021 was 132%. In 2022 the QR value increased, namely 153%. Then in 2023 there was a decrease in the QR level of 151%. In other words, the CR value is the same as QR because PT Tiki JNE Cikupa does not have inventory because it is engaged in expedition services, not trade or manufacturing. From the table above that it turns out Cash Ratio (CaR) PT Tiki JNE Cikupa in 2021 was 125%. In 2022 the CaR value decreased, which amounted to 118%. Then in 2023 there was a decrease in the CaR level of 151%. So that from 2021 to 2022 the CaR value always decreases.

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>Year 2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>30,322,415</td>
<td>10,093,292</td>
<td>10,292,324</td>
</tr>
<tr>
<td>Revenue</td>
<td>238,543,500</td>
<td>353,476,510</td>
<td>310,278,130</td>
</tr>
<tr>
<td>GPM</td>
<td>13%</td>
<td>2.9%</td>
<td>3.3%</td>
</tr>
<tr>
<td>EAT</td>
<td>29,876,253</td>
<td>8,160,957</td>
<td>8,619,305</td>
</tr>
<tr>
<td>NPM</td>
<td>13%</td>
<td>2.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>EAT</td>
<td>29,876,253</td>
<td>8,160,957</td>
<td>8,619,305</td>
</tr>
<tr>
<td>Total Assets</td>
<td>125,747,261</td>
<td>121,158,218</td>
<td>102,877,532</td>
</tr>
<tr>
<td>ROI</td>
<td>23.76%</td>
<td>6.74%</td>
<td>8.38%</td>
</tr>
<tr>
<td>Total Capital</td>
<td>199,402,161</td>
<td>178,013,118</td>
<td>142,930,410</td>
</tr>
<tr>
<td>ROE</td>
<td>14.98%</td>
<td>4.58%</td>
<td>6.03%</td>
</tr>
</tbody>
</table>

From the table above that it turns out Gross Profit Margin (GPM) PT Tiki JNE Cikupa in 2021 was 13%. In 2022 the GPM value decreased, which amounted to 2.9%. Then in 2023 there was an increase in the GPM level of 3.3%. From the table above that it turns out Net Profit Margin (NPM) PT Tiki JNE Cikupa in 2021 was 13%. In 2022 the NPM value decreased, which amounted to 2.3%. Then in 2023 there was an increase in the NPM level of 2.8%.

Based on the table above, it also shows that Return on Investment (ROI) PT Tiki JNE Cikupa in 2021 was 23.76%. In 2022 the ROI value decreased, which amounted to 6.74%. Then in 2023 there was an increase in the ROI level of 8.38%. While Return On Equity (ROE) PT Tiki JNE Cikupa in 2021 was 14.98%. In 2022 the ROE value decreased, which amounted to 4.58%. Then in 2023 there was an increase in the ROE level of 6.03%. Then from the calculation of the financial ratios that have been presented in the table above,
it can be seen that the development of ratios at PT Tiki JNE Cikupa from 2021 to 2023 is as follows:

Judging from the table of recapitulation of the financial ratios of PT. Tiki JNE Cikupa on the liquidity ratio that the results are not good, seen from the average value current ratio over 3 years of 145%. Whereas the standard current ratio that is 200% (Cashmere, 2011: 136). So it can be indicated that PT Tiki JNE Cikupa is in poor condition, because the company’s ability to fulfill current debt payments is said to be less than maximum. Then on the average value quick ratio in 3 years amounted to 145%. While the standard quick ratio it is 150% [9], then this is seen that PT Tiki JNE Cikupa is not in good condition. Although indeed the average value cash ratio For 3 years it was 108% and categorized as good, but the ability of PT Tiki JNE Cikupa to pay current debt is still slow.

Then in the profitability ratio, we can see that the average GPM value of PT Tiki JNE Cikupa for 3 years is 6% and is still below the 30% standard [10], [11], [12]. So this shows that gross profit The net profit generated by PT Tiki JNE Cikupa is still not maximum. Meanwhile, the average NPN value of PT Tiki JNE Cikupa for 3 years was 6% and still below the standard 20%, so it can be said that the net profit generated is still small and very less than the maximum. Meanwhile, the ROI of PT Tiki JNE Cikupa in this 3-year period amounted to 13%, and is still below the 30% standard [13], [14]. Therefore, it is shown that PT Tiki JNE Cikupa has not been able to generate a good enough profit through the investment made on assets. Then finally at ROE PT. Tiki JNE Cikupa that the average value for 3 years is 9% and is still below the standard of 40% [15], [16]. So it can be seen that PT Tiki JNE Cikupa has not been able to manage capital appropriately and effectively from investments by capital owners.

4. Conclusion
Based on the discussion of the results of the analysis, it can be concluded that the financial performance of the company PT Tiki JNE Cikupa, seen from the liquidity ratio from 2021 to 2023, is said to be not good. Meanwhile, in terms of profitability ratios that PT Tiki JNE Cikupa's financial performance from 2021 to 2023 is in poor condition. Then the suggestion from the researcher is to reduce operational expenses that are not too important for the company, then increase turnover by promoting expedition services and good service, then prosper the courier to deliver packages because if the package is not delivered it will reduce the company's image to consumers.

5. Declaration
Author contributions and responsibilities - The authors made major contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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6. References


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