

Performance Analysis of Mining Companies Listed on the Indonesia Stock Exchange Before and During the Covid-19 Pandemic for the 2018-2021 Period

^{1*}Erna Chotidjah Suhatmi, ²Putri Intan Prastiwi, ³Della Restiana

Universitas Duta Bangsa Surakarta, Surakarta, Indonesia

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ABSTRACT

The rapid development of the mining sector that occurred in Indonesia attracted the interest of investors to invest in the mining sector. This study aims to determine the financial performance of mining companies listed on the Indonesia Stock Exchange before and during the Covid-19 pandemic. The analytical method used is a quantitative descriptive method using the ratio of liquidity, solvency and profitability. The sampling technique is purposive sampling and uses secondary data in the form of the 2018-2021 annual financial reports from 3 companies in the mining sector, namely PT Bumi Resources Tbk, PT Adaro Energy Tbk, and PT Indika Energy Tbk. The results of the calculation of the liquidity ratio illustrate that the mining company that reached number 1, namely PT Adaro Energy Tbk. The calculation results of the solvency ratio illustrate that overall the company's condition is in a fairly good condition even though in 2020 the ratio has decreased. The results of the calculation of the profitability ratios illustrate that 3 mining companies are below the standard value of the ratio. The results of calculating the ratio of liquidity, solvency and profitability illustrate that the company's performance was said to be good before and during the Covid-19 pandemic, namely PT Adaro Energy Tbk.

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Corresponding Author:

Erna Chotidjah Suhatmi

Universitas Duta Bangsa Surakarta, Surakarta, Indonesia

Email: erna_chotidjah@udb.ac.id

INTRODUCTION

The mining industry in Indonesia has been witnessing rapid growth and expansion in recent years. This growth can be attributed to various factors, such as the abundance of natural resources in the country and the increasing demand for minerals and resources globally. As the industry continues to grow, it becomes more competitive, with numerous companies vying for market share and investor attention.

In such a competitive environment, mining companies face the challenge of differentiating themselves and maintaining a competitive edge. To stay ahead of the competition, companies need to constantly innovate and develop new concepts or

methods within their operations. This can involve implementing advanced technologies, improving efficiency in extraction and processing methods, or adopting sustainable and environmentally friendly practices.

By embracing continuous innovation and development, mining companies can enhance their operational capabilities and improve the quality of their products. This, in turn, adds value to the company in the eyes of investors. Investors are often attracted to companies that demonstrate a commitment to innovation and are capable of delivering sustainable growth and profitability. Innovations in the mining industry can lead to increased productivity, cost savings, and improved environmental performance. For

example, the introduction of advanced mining equipment and automation technologies can enhance productivity and reduce operational costs. Implementation of environmentally friendly practices can help companies comply with regulatory requirements and meet the growing demand for sustainable resource extraction.

Moreover, developing new concepts or methods within the company allows mining companies to adapt to changing market conditions and customer demands. By anticipating industry trends and proactively responding to them, companies can position themselves as industry leaders and create a competitive advantage.

Overall, in a rapidly growing and competitive mining industry, companies that prioritize continuous innovation and development have a better chance of attracting and retaining investors. By demonstrating their ability to add value through innovation, companies can enhance their financial performance, secure funding for future projects, and maintain a strong position in the market.

Financial reports can be meaningful for interested parties, it is necessary to analyze the relationship of various items in a financial report, which is often called financial report analysis. From the existence of financial reports, investors can find out, estimate the condition or position of the direction of a company's funds. By conducting an analysis of balance sheet items, we will be able to find out or get an overview of the company's financial position.

But at the end of 2019, there was an outbreak of the covid-19 virus. The spread of the virus for which the antidote has not been found is uncontrollable so that many countries have reported cases of exposure to the Covid-19 virus. In Indonesia itself, the government announced the Covid-19 outbreak as a National Disaster in early March 2020. The government's policy of implementing PSBB, PPKM, work from home, social distancing, and health protocols resulted in community activities, the flow of goods and services dropping drastically. .

Various sectors were affected which resulted in the company going bankrupt, not only large companies but also medium to lower scale companies. Many employee terminations have resulted in companies

replacing the permanent employee system with a part-time worker system.

Seeing the phenomena that occur, this study aims to find out the differences in financial reports to measure financial performance by using liquidity ratios, solvency, and profitability ratios which are used as research variables to test increases or decreases in order to find out how significant the differences in the financial performance of mining companies before and during the pandemic covid-19.

METHOD

The type of research used in this research is descriptive quantitative research. The type of data used in this research is secondary data. This research was conducted at the Jakarta Indonesia Stock Exchange PT and through the website <http://www.idx.co.id>. When the research was conducted in January 2023.

The population in this study are mining companies listed on the Indonesian Stock Exchange. The total population is 17 companies. The samples taken were the company's financial reports published for the last 4 years, namely 2018, 2019, 2020 and 2021. The sampling technique used in this study was purposive sampling. With the following criteria:

- a. Large-scale companies, especially companies that have a total annual asset value of at least IDR 30 trillion, during 2018-2021.
- b. Publish financial reports for 2018-2021, and no blank data is used in the research.

Based on the above criteria, 3 (three) companies were found that met the criteria, namely PT Bumi Resources Tbk, PT Adaro Energy Tbk, and PT Indika Energy Tbk. There are 3 operational variables in this study that will be analyzed, namely the liquidity ratio, solvency ratio, and profitability ratio.

RESULTS AND DISCUSSION

The discussion of ratios in financial statement analysis is a number that shows the relationship between an element and other elements in financial statements. The relationship of the elements of the financial statements above is stated in a mathematical form that is easy to understand.

1. Liquidity Ratio

Liquidity ratio analysis used in this study is the Cash Ratio. Cash Ratio is

the minimum liquidity that must be maintained by the bank in repaying third party funds collected by the bank which must be paid immediately. The size of the company's cash ratio that is considered ideal is more than 1. This means that the liquidity of the company is good. On the

contrary, if the cash ratio is less than 1, the company needs to find a way so that it can be handled properly. This ratio is formulated as follows:

$$\text{Cash Ratio} = \frac{\text{Kas}}{\text{Hutang Lancar}}$$

Table 1. Calculation of the Cash Ratio of Mining Companies Listed on the Indonesia Stock Exchange for 2018-2021

Tahun	Kas dan Setara Kas			Hutang Lancar			Cash Ratio (1)	Cash Ratio (2)	Cash Ratio (3)
	PT. Bumi Resources Tbk (1)	PT. Adaro Energy Tbk (2)	PT. Indika Energy Tbk (3)	PT. Bumi Resources Tbk (1)	PT. Adaro Energy Tbk (2)	PT. Indika Energy Tbk (3)			
2018	88,528,723	927,896,000	613,047,704	1,158,996,222	816,443,000	670,423,025	0,07	1,13	0,91
2019	44,650,916	1,576,191,000	568,633,705	1,172,847,045	1,232,601,000	711,411,136	0,03	1,27	0,79
2020	56,142,271	1,173,703,000	651,193,109	1,298,664,634	1,144,923,000	707,713,855	0,04	1,02	0,92
2021	220,979,398	1,811,141,000	867,404,826	2,877,190,180	1,361,558,000	1,135,763,896	0,07	1,33	0,76

Source: processed data, 2023

Table 1 shows the results of calculating the cash ratios of mining companies, namely PT Bumi Resources Tbk, PT Adaro Energy Tbk, and PT Indika Energy Tbk from 2018-2021. The results show that the cash ratio (1), namely PT Bumi Resources Tbk, has fluctuated. Current debt owned from year to year is increasing. In 2018-2021, the ratio results are less than 1, which means that the company is not doing well.

The results of calculating Cash Ratio (2), namely PT Adaro Energy Tbk, show that from 2018-2019 there has been an increase in the ratio of 1.12 to 1.27. However, in 2020 the ratio value decreased quite drastically, namely 1.02. This is because in 2020 there was an outbreak of covid-19 which caused some work to be stopped for operations. In 2021 the ratio value of PT Adaro Energy Tbk has increased drastically, namely 1.33. Overall, PT Adaro Energy Tbk's cash ratio results show that the company is considered healthy or good.

Table 2. Calculations Debt to Asset Ratio Mining Companies Listed on the Indonesia Stock Exchange in 2018-2021

The results of calculating Cash Ratio (3), namely PT Indika Energy Tbk, show that the company fluctuates. In 2018-2019 it has decreased, in 2019-2020 it has increased. But in 2020-2021 it has decreased. Overall the ratio results of PT Indika Energy Tbk show that the ratio results are almost close to 1, it can be said that the company is not doing well.

2. Solvency Ratio

The solvency ratio analysis used in this study is the Debt to Asset Ratio (DAR). Debt to Asset Ratio is a debt ratio used to measure the ratio between total debt and total assets. If the company's debt ratio is less than 0.5 times, then most of the company's assets are the result of the cost of equity. If the debt ratio is greater than 0.5 times, then most of the company's assets are the result of debt financing. The normal value of the DAR ratio is 0.6-0.7 times. This ratio is formulated as follows:

$$\text{DAR} = \frac{\text{Total Hutang}}{\text{Total Aset}} \times 100\%$$

Tahun	Total Hutang			Total Aktiva			DAR (1)	DAR (2)	DAR (3)
	PT. Bumi Resources Tbk	PT. Adaro Energy Tbk	PT. Indika Energy Tbk	PT. Bumi Resources Tbk	PT. Adaro Energy Tbk	PT. Indika Energy Tbk			
	(1)	(2)	(3)	(1)	(2)	(3)			
2018	3,403,162,098	2,758,063,000	2,542,768,572	3,906,773,939	7,060,755,000	3,669,952,693	87%	39%	69%
2019	3,192,870,099	3,233,710,000	2,570,388,847	3,702,805,778	7,217,105,000	3,616,163,065	86%	44%	71%
2020	3,295,912,298	2,429,852,000	2,626,405,463	3,428,550,327	6,381,566,000	3,493,702,857	96%	38%	75%
2021	3,577,340,599	3,128,621,000	2,807,763,436	4,223,787,286	7,586,936,000	3,691,477,101	84%	41%	76%

Source: processed data, 2023

Table 2. Calculation results *Debt to Asset Ratio* (DAR 1) namely PT Bumi Resources Tbk in 2018-2019 there was a significant decline. In 2020 there was an increase of 96% and the total debt held from year to year has increased. In 2021 the ratio decreased by 84%. DAR (2), namely PT Adaro Energy Tbk, shows that in 2018-2019 the ratio value increased to 44%. In 2020 during the Covid-19 pandemic there was a 38% decrease and an increase in 2021 of 41%. The results of DAR (3), namely PT Indika Energy Tbk, show the results of calculating the ratio from year to year which has increased. In 2019-2020 it has increased by 4%.

3. Profitability Ratio.

The profitability ratio analysis used in this study is the Gross Profit Margin (GPM). Gross profit margin is the ratio between gross profit and sales/revenue earned by the company. Companies that have a high gross profit margin (more than 0.75 or 75%) indicate that the company is able to run its production efficiently because the cost of goods sold is relatively lower. The higher the gross profit margin, the better the operating condition of the company. This ratio is formulated as follows:

$$\text{GPM} = \frac{\text{Laba Kotor}}{\text{Pendapatan}} \times 100\%$$

Table 3. Calculations *Gross Profit Margins* Mining Companies Listed on the Indonesia Stock Exchange in 2018-2021

Tahun	Laba Kotor			Pendapatan			GPM (1)	GPM (2)	GPM (3)
	PT. Bumi Resources Tbk	PT. Adaro Energy Tbk	PT. Indika Energy Tbk	PT. Bumi Resources Tbk	PT. Adaro Energy Tbk	PT. Indika Energy Tbk			
	(1)	(2)	(3)	(1)	(2)	(3)			
2018	110,677,256	1,210,207,000	641,215,316	1,111,820,412	3,619,751,000	2,962,860,901	9,9%	33,4%	21,6%
2019	105,083,350	964,591,000	426,701,469	1,112,566,618	3,457,154,000	2,782,676,420	9,4%	27,9%	15,3%
2020	91,914,927	576,729,000	173,306,287	790,436,397	2,534,842,000	1,813,826,560	11,6%	22,7%	9,5%
2021	201,736,646	1,769,746,000	918,121,801	1,008,212,975	3,992,718,000	3,069,161,119	20%	44,3%	29,9%

Source: processed data, 2023

Table 3. Calculation results *Gross Profit Margins* (GPM 1) namely PT Bumi Resources Tbk in 2018-2021 experienced an increase in the value of the ratio from year to year. The highest increase in the value of the ratio in 2021 is 20%. When seen from table 3 above, the income of PT Bumi Resources Tbk is very low. However, after the Covid-19 pandemic, it has increased quite drastically. The results

of the GPM calculation (2), namely PT Adaro Energy Tbk, show that in 2018-2020 it has decreased. In 2020 it showed a value of 22.7% due to covid-19. However, in 2021, PT Adaro Energy Tbk experienced a 2x increase from 2020, namely 44.3%. The results of the GPM calculation (3), namely PT Indika Energy Tbk, show that in 2018-2020 there has been a decline. The lowest ratio value is

in 2020 of 9.5%. The decrease occurred due to differences in sales revenue and elements that were closely related to cost of goods sold such as initial inventory, purchases and ending inventory so that the company's operational activities became less efficient. In 2021 it has experienced a very drastic increase to 29.9%.

CONCLUSION

Based on the analysis of the liquidity ratio (Cash Ratio) Overall in 2020, the ratio has decreased due to the Covid-19 outbreak. However, in 2019, the three mining companies were able to increase the value of the ratio compared to 2020. Of the three mining companies the value of the Cash Ratio which reached number 1, namely PT Adaro Energy Tbk. Companies that are far from number 1, namely PT Bumi Resources Tbk.

Based on solvency ratio analysis (Debt to Asset Ratio) the resulting DAR value from PT Bumi Resources Tbk is more than 0.6-0.7 or 60% -70%. Same as with PT Indika Energy Tbk with a value of 60% -70%. This means that PT Bumi Resources Tbk and PT Indika Energy Tbk, the majority of the company's assets come from debt. Meanwhile, the DAR value of PT Adaro Energy Tbk shows that the majority of the company's assets are funded by the company's own capital (equity) and not from loans.

Based on the analysis of the profitability ratios (Gross Profit Margin) of 3 mining companies, namely PT Bumi Resources Tbk, PT Adaro Energy Tbk, and PT Indika Energy Tbk, it shows that the value of the GPM ratio does not reach 0.7 or 75%. Overall GPM results have decreased from 2018-2020. In 2021, the three companies will experience a drastic increase reaching 2x the previous GPM value. Overall, PT Adaro Energy Tbk has a fairly good GPM result compared to PT Bumi Resources Tbk and PT Indika Energy Tbk.

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