


## Financial statement ratio analysis to assess the performance of PT Adaro minerals Indonesia TBK and its subsidiaries

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Article Info	ABSTRACT
<p><b>Keywords:</b> Company performance, financial analysis</p>	<p>PT Adaro Minerals Indonesia Tbk (IDX: ADMR) is a subsidiary of PT Adaro Energy Indonesia Tbk that focuses on coal mining, metallurgy and mineral processing. The company currently operates as the first and only metallurgical coal producer in Indonesia and is building an aluminum smelter in a green industrial estate in North Kalimantan. The company is also preparing to commence mineral processing operations as part of Adaro's transformation towards a green business. In 2022, his subsidiary company, PT Kalimantan Aluminium Industry, started the pre-construction phase of an aluminum smelter in the world's largest green industrial area located in North Kalimantan. In the initial phase, the project is expected to produce around 500,000 tons/year of aluminum ingots, which will be increased to 1.5 million tons/year at full scale. Mineral processing is the company's effort to contribute while capturing green economy opportunities that are intensively developed by the government. The company has internal and external financial statements. In this case, the company can use ratio analysis to financial statements. Meanwhile, the data method used in this study uses observation methods and literature studies related to PT Adaro Minerals Indonesia's financial data, to then be analyzed by calculating arithmetic ratios that can be interpreted in economic relations related to company performance. The results of financial statement analysis use measurements of Liquidity Ratio, Leverage Ratio, Activity Ratio, Profitability Ratio, and the company has sufficient ability to take action in guaranteeing and paying off debts to creditors, and for the results of other business financial ratio analysis can be done. Used as a benchmark for investors in investing funds into the company.</p>
<p>This is an open access article under the <a href="#">CC BY-NC</a> license</p> 	<p><b>Corresponding Author:</b> I Dewa Made Yuda Mahendra <a href="mailto:madedeb@uds.ac.id">madedeb@uds.ac.id</a></p>

### INTRODUCTION

Financial statements are prepared by each company with the aim of providing useful information for report users, especially as a basis for consideration in decision making. The process of preparing financial statements involves a series of steps, ranging from recording to summarizing business transaction data. In this context, an accountant is expected to have the skills to organize all accounting data, interpret, and analyze the company's financial statements. Financial statements are basically the final product of the accounting process which aims as a means of communicating financial data and company activities to interested parties. These parties involve internal such as company management and

employees, as well as external such as shareholders, creditors, government, and society. This whole process allows interested parties to understand the company's financial position and development more deeply (Hery, 2012).

The company's financial statements have a very significant function in the capital market, because the financial statements provide information that reflects the company's performance. In addition, financial statements consistently record company activities during a certain period and describe them in currency values, both in rupiah and foreign currencies (Erica, 2016) The main purpose of an entity is to increase the value of the entity. An increase in the value of an entity must be accompanied by an increase in sales. And all of these things can be reflected in a report. A report describing the company's financial development from a certain period. These reports are commonly referred to as financial statements (Pongoh, 2013)

Basically, the results of financial statement analysis by the company's management can provide information about the company's weaknesses and strengths through a comparison of financial ratios. For example, the Liquidity Ratio is used to evaluate a company's ability to meet short-term obligations, the Solvency Ratio to measure the extent to which assets are financed with debt, the Activity Ratio to measure the efficiency of resource utilization, and the Profitability Ratio to assess the company's ability to seek profits or profits in a certain period. The information generated from the ratio analysis provides an overview of the situation and condition of management performance in managing company finances (Erica, 2017).

## Literature Review

### Definition of Financial Ratios

Ratio analysis is one of the most commonly used financial analysis tools. In the calculation of this ratio, simple arithmetic calculations are used that can be interpreted. The results of ratio calculation become more useful when compared to the results of ratio calculation in the previous year (Hery, 2012). Financial Ratio Analysis is an analysis and assessment process that helps in providing answers to questions that arise naturally, so it is a useful tool to achieve goals (Hery, 2014).

At the end of each month period, the company's Finance Division generally prepares Financial Statements involving the Balance Sheet, Income Statement, Cash Flow Statement, and Capital Change Statement. These reports are then submitted to the company's leadership. In addition to Financial Statements, it is also important to present Financial Statement Analysis. Financial Ratio, according to James, is an index that connects two accounting figures and is calculated by dividing one number by another. Financial ratios are used to evaluate a company's financial condition and performance, providing an overview of the company's financial health (Kasmir, 2011).

Financial ratios give an idea of the mathematical relationship between certain amounts and other amounts. This analytical tool allows analysts to evaluate the financial condition of a company, especially when the ratio is compared to a standard or comparison ratio that is considered a benchmark. Financial Ratio Analysis involves comparing the numbers in the financial statements by dividing one number by another. In this way,

comparisons can be made both among components in one financial statement and between different components in various financial statements in a certain period (Munawir, 2014).

The results of the Financial Ratio Analysis can be the basis for the company's management to evaluate their performance during a period. This includes an assessment of the achievement of predetermined targets and allows management to assess the extent to which the company's resources are being effectively utilized. Financial ratio analysis can also provide insight into management's ability to manage various aspects of the company, be it operational, managerial, or financial aspects. The main objectives of Financial Statement Analysis include various things, such as being a tool for projecting future financial positions, evaluating the company's current condition, identifying problems in management, operations, and finance, and being a measurement tool for efficiency in various company departments (Erica, 2016).

In practice, the analysis of a company's financial ratios can be categorized into three types, according to the data sources used: (1) Balance Sheet Ratio, which involves comparing figures derived only from the balance sheet, (2) Income Statement Ratio, which involves comparing figures derived only from income statements, (3) Ratios between reports, which involves comparing figures from both sources (mixed data), both contained in the balance sheet and income statement. Thus, there are two elements of financial statements, namely the income statement and balance sheet, and one element of mixed data which is a combination of the two reports (Kasmir, 2011).

The use of financial statement analysis techniques aims to assess and measure the relationship between various items contained in the report. Thus, this analysis helps in understanding the changes of each post when compared to reports from several periods for one particular company or when compared to other comparison tools (Sunyoto, 2013).

Assessment of the financial performance of a company can be done through various methods of calculating financial ratios to the company's Financial Statements. Each financial ratio has a specific purpose, usefulness, and meaning that can be interpreted by the company's management. The information obtained from this financial ratio analysis can be used by management in decision making and company policy determination.

Weston states that the forms of Financial Ratio Analysis can be identified as follows (Kasmir, 2011):

1. Rasio Likuidit (Liquidity Ratio)
2. Rasio Solvabilitas (Leverage Ratio)
3. Activity Ratio
4. Profitability Ratio
5. Growth Ratio
6. Valuation Ratio.

James states that the forms of financial ratios are as follows:

1. Rasio Likuidit (Liquidity Ratio)
2. Leverage Ratio
3. Coverage Ratio
4. Activity Ratio

#### 5. Profitability Ratio. (Cashmere, 2011)

The description of the forms of ratios according to Weston, namely:

Liquidity Ratio Is a ratio that describes the company's ability to meet short-term obligations.

Types of liquidity ratios:

1. Rasio Lancar (Current Ratio)
2. Very Current Ratio (Quick Ratio)
3. Rasio Kasio (Cash Ratio)
4. Cash Turnover Ratio
5. Inventory to Net Working Capital Ratio (Kasmir, 2011)

Solvency Ratio (Leverage Ratio) Is a ratio used to measure the extent to which a company's assets are financed with debt. Types of solvency ratios:

1. Debt to Asset Ratio
2. Debt to Equity Ratio
3. Long Term Debt to Equity Ratio
4. Tangible Assets Debt Coverage
5. Current Liabilities to Net Worth
6. Times Interest Earned
7. Fixed Charge Coverage

Activity Ratio Is a ratio used to measure the level of efficiency utilization of enterprise resources. Types of activity ratios:

1. Receivable Turn over
2. Days of Receivable
3. Setup Turnover (Inventory Turn over)
4. Day of Average Preparatory Billing (Days of Inventory)
5. Working Capital Turn over
6. Fixed Assets Turn over
7. Assets Turn over

Profitability Ratio Is a ratio to assess the company's ability to seek profit or profit in a certain period. Types of profitability ratios:

1. Profit Margin on Sales
2. Return on Investment (ROI)
3. Return on Equity (ROE)
4. Earning per Share of Common Stock

Growth Ratio reflects the company's ability to maintain its economic stability amid economic growth and its business sector. The Valuation Ratio provides a measure of management's ability to create a company's market value above the cost of investment. Financial statement analysis needs to be done carefully and thoroughly related to financial data using appropriate methods and analysis techniques to ensure the accuracy of the results. Errors in entering data or financial analysis formulas can have an impact on inaccurate results that affect the determination of budget allocations and predictions of company profits in the following year. Next, the results of these calculations are analyzed and interpreted to understand the actual financial position. This whole process must be

done thoroughly, deeply, and honestly.

The objectives and benefits of financial statement analysis, are:

1. To find out the company's financial position in a certain period, both assets, liabilities, capital, and operating results that have been achieved for several periods.
2. To find out what weaknesses the company lacks.
3. To know the powers possessed.
4. To find out what corrective steps need to be taken in the future related to the company's current financial position.
5. To assess future management performance whether it needs refreshment or not because it has been considered successful or failed.

## METHODS

This research is basically to explain how the state and financial condition of PT Adaro Minerals Indonesia Tbk in September 2016 using the ratio calculation formula from each account data in the company's financial statements. This research was designed using 2 (two) methods in collecting data, namely: observation method and literature study method related to financial data of PT. Kino Indonesia Tbk then carried out an analysis process with procedures related to financial ratio analysis using arithmetic calculations that can be interpreted into economic relations related to the performance of PT. Kino Indonesia Tbk.

## RESULT AND DISCUSSION

Laporan Neraca PT. Kino Indonesia Tbk, bulan Maret Tahun 2023 Tabel 1 : Balance Sheet PT Adaro Minerals Indonesia Balance Sheet (MillionUSD except Par Value) Maret 2023

PT ADARO MINERAL S INDONESIA Tbk  
 DAN ENTITAS ANAKNYA/AUD ITS SUBSIDIARIES

Lampiran 1/3 Schedule

LAPORAN POSISI KEUANGAN  
 KONSOLIDASIAN INTERIM PADA TANGGAL  
 31 MARET 2023  
 (Dinyatakan dalam Dolar AS,  
 kecuali nilai nominal dan data saham)

	Catatan Notes	31 Maret March 2023
<b>EKUITAS</b>		
Modal saham - modal dasar 137.101.000.000 lembar, Ditempatkan dan disetor penuh 40.882.331.500 lembar pada tanggal 31 Maret 2023 dan 31 Desember 2022 dengan nilai nominal sebesar Rp100 per saham	24	303.910.887
Tambahan modal disetor Setelah transaksi dengan pihak non-pengendali Saldo laba	25	(183.297.832)
	26	696.337
Dedansikan		1.587.117
Belum dedansikan		(497.023.515)
<b>Total ekuitas yang diatribusikan kepada pemilik entitas induk</b>		<b>610.208.925</b>
Kepentingan non-pengendali		59.792.756
<b>TOTAL EKUITAS</b>		<b>670.001.681</b>
<b>TOTAL LIABILITAS DAN EKUITAS</b>		
		<b>1.343.963.890</b>
<b>LIABILITAS DAN EKUITAS</b>		
<b>LIABILITAS</b>		
<b>LIABILITAS JANGKA PENDEK</b>		
Utang usaha		13.099.301
- Bank	17	8.531.004
- Pihak ketiga	17	4.568.297
Utang pajak penggantian badan	20a	2.451.434
Utang pajak hutang	20b	2.169.1.432
Utang piutang	18	
Utang diskon	24	
Bekas yang masih harus dibayar	19	106.541.945
Liabilitas lain-lain jangka pendek	23	333.176
Liabilitas sewa - bagian jangka pendek	22	609.341
Provisi pemrogokan, rehabilitasi, reklamasi, dan penutupan tambang - bagian jangka pendek	21	6.940.274
Liabilitas jangka pendek lainnya		3.347.128
<b>Total liabilitas jangka pendek</b>		<b>132.521.022</b>
<b>LIABILITAS JANGKA PANJANG</b>		
Liabilitas sewa - bagian jangka panjang	22	1.604.858
Liabilitas provision pemrogokan, reklamasi, dan penutupan tambang - bagian jangka panjang	21	3.368.226
Liabilitas piutang bersyarat Pusat dan dari pihak berelasi	25d	27.204.451
	25	1.629.028
	25	(406.034.433)
<b>Total liabilitas jangka panjang</b>		<b>471.621.028</b>
<b>TOTAL LIABILITAS</b>		<b>604.142.050</b>
<b>EKUITAS</b>		
Modal saham - modal dasar 137.101.000.000 lembar, Ditempatkan dan disetor penuh 40.882.331.500 lembar pada tanggal 31 Maret 2023 dan 31 Desember 2022 dengan nilai nominal sebesar Rp100 per saham	24	303.910.887
Tambahan modal disetor Setelah transaksi dengan pihak non-pengendali Saldo laba	25	(183.297.832)
	26	696.337
Dedansikan		1.587.117
Belum dedansikan		(497.023.515)
<b>Total ekuitas yang diatribusikan kepada pemilik entitas induk</b>		<b>610.208.925</b>
Kepentingan non-pengendali		59.792.756
<b>TOTAL EKUITAS</b>		<b>670.001.681</b>
<b>TOTAL LIABILITAS DAN EKUITAS</b>		
		<b>1.343.963.890</b>

Sumber: [https://www.adarominerals.id/app/webroot/upload/files/Kinerja\\_perusahaan/ADMR%20-%20Laporan%20Keuangan%20Maret%202023.pdf](https://www.adarominerals.id/app/webroot/upload/files/Kinerja_perusahaan/ADMR%20-%20Laporan%20Keuangan%20Maret%202023.pdf)

### Income Statement of PT Adaro Minerals Indonesia, September 2016

**LAPORAN LABA RUGI DAN PENGHASILAN KOMPRESIF LAIN KONSOLIDASIAN INTERIM UNTUK PERIODE TIGA BULAN YANG BERAKHIR PADA TANGGAL 31 MARET 2023**  
 (Dinyatakan dalam Dolar AS, kecuali data laba per saham)

	Catatan Nomor	31 Maret March 2023
Pendapatan usaha	27	238,248,560
Beban pokok pendapatan	28	(103,605,715)
<b>Laba bruto</b>		<b>134,642,854</b>
Beban usaha	29	(21,671,713)
Penghasilan/(beban) lain-lain, neto	30	1,152,512
<b>Laba usaha</b>		<b>114,123,653</b>
Biaya keuangan	32	(9,067,784)
Penghasilan keuangan	31	4,180,136
<b>Laba sebelum pajak penghasilan</b>		<b>109,235,905</b>
Beban pajak penghasilan	33a	(23,230,545)
<b>Laba periode berjalan</b>		<b>86,005,360</b>
Penghasilan/(kerugian) komprehensif lain periode berjalan; Pos-pos yang tidak akan direklasifikasi ke laba rugi; Pengukuran kembali liabilitas imbalan kerja; Pajak penghasilan tertan	33b	-
<b>Total penghasilan komprehensif periode berjalan, setelah pajak</b>		<b>86,005,360</b>
<b>Laba periode berjalan yang dapat didistribusikan kepada:</b>		
Pemilik entitas induk		81,708,718
Kepentingan non-pengendali		4,296,642
<b>Laba periode berjalan</b>		<b>86,005,360</b>
<b>Total penghasilan komprehensif periode berjalan yang dapat didistribusikan kepada:</b>		
Pemilik entitas induk		81,708,718
Kepentingan non-pengendali		4,296,642
<b>Total penghasilan komprehensif periode berjalan, setelah pajak</b>		<b>86,005,360</b>
<b>Laba per saham didistribusikan kepada pemilik entitas induk - Dasar lunas (nilai penuh)</b>	35	<b>0,0021</b>

Source: [https://www.adarominerals.id/app/webroot/upload/files/Kinerja\\_perusahaan/ADMR% 20-%20Laporan%20Keuangan%20Maret%202023.pdf](https://www.adarominerals.id/app/webroot/upload/files/Kinerja_perusahaan/ADMR%20-%20Laporan%20Keuangan%20Maret%202023.pdf)

Financial Ratio Analysis for March 2023 at PT. Kino Indonesia Tbk PT Adaro Minerals Indonesia

#### Rasio Likuidit (Liquidity Ratio)

1. Current Ratio = Current Assets :Current Liabilities = 682,368,284: 192,691,090= 3.5412 This means every USD. 1.00% of current debt is guaranteed or borne by current assets of USD. 354.12 or in other words, the higher the ratio means the more guaranteed the company's debts to creditors.
2. Quick Ratio = (Current Assets -Inventory) : Current Liabilities = (682,368,284 – 80,144,883) : 192,691,090= 3,1253 (312,53) That means per USD. 1,00 smooth debt is guaranteed by a smooth activity in addition to the setup (inventory) of USD. 312,53
3. Cash Ratio = Cash or Cash Equivalents : Current Liabilities = 468,691,161: 192,691,090= 2.4323 (243.23) This means every USD. 1.00 Current debt is

guaranteed by cash and securities priced at 243.23 or 243.23%

4. Cash Turnover Ratio = Net Sales : (Current Assets – Current Liabilities) = 238,248,569 : (682,368,284 – 192,691,090) = 238,248,569 : 489,677,194 = 0.4865  
This means that the level of adequacy of the company's working capital needed to pay bills (debts) and costs related to sales is 0.48%
5. Inventory to Net Working Capital = Inventory : (Current Assets – Current Liabilities) = 80,144,883 : 489,677,194 = 0.1636  
This means that the ratio between inventory and working capital of the company is 0.16%

#### Rasio Solvabilitas (Leverage Ratio)

1. to Asset Ratio = Total Debt : Total Assets = 664,322,166 : 1,343,983,888 = 0.49 (49%)  
This means that the amount of company assets financed by debt is 49%
2. Debt to Equity Ratio = Total Debt : Equity = 664,322,166 : 679,661,722 = 0.97 (97%)  
This means that the amount of capital that can be used as debt collateral is 97%
3. Long Term Debt to Equity Ratio = Long Term Debt : Equity = 436,884,493 : 679,661,722 = 0.64 (64%)  
This means that the amount of capital that Debt can be used as debt collateral is 64%

#### Activity Ratio

1. Inventory Turnover = Sales : Inventory = 238,248,569 : 80,144,883 = 2.97 or 3 times  
This means that inventory turnover in one period is 3 times
2. Days of Inventory = Number of days in 1 year : Inventory Turnover = 365 : 2.97 =
3. 122.89 or 123 days  
This means that the number of days for the average inventory stored in the warehouse is 123 days  
Working Capital Turnover = Net Sales : Current Assets = 238,248,569 : 682,368,284 = 0.35 or 1 time  
This means that the turnover of working capital in one period is 1 time
4. Fixed Assets Turnover = Sales : Total Fixed Assets = 238,248,569 : 424,070,030 = 0.56 or 1 time  
This means that the turnover of fixed assets in one period is 1 time
5. Total Assets Turnover = Sales : Total Assets = 238,248,569 : 1,343,983,888 = 0.17 or 1 time  
This means that the turnover of Total Assets in one period is 1 time

#### Profitability Ratio

1. Profit Margin on Sales = Gross Profit : Sales = 134,642,854 : 238,248,569 = 0.5651 (56.51%)  
This means that the profit on sales margin is 56.51%
2. Net Profit Margin = Earning After Interest and Tax : Sales = 85,036,256 : 238,248,569 = 0.3569 (35.69%)  
This means that the company's net income on sales is 35.69%
3. Return on Investment (ROI) = Earning After Interest and Tax : Total Assets = 85,036,256 : 1,343,983,888 = 0.0632 (6.32%)  
This means that the ratio shows the return on the amount of assets used in the company or the return on investment of 6.32%
4. Return on Equity (ROE) = Earning After Interest and Tax : Equity = 85,036,256 : 679,661,722 = 0.1251 (12.51%)  
This means that the return on equity or profitability of own capital is 12.51%.



## CONCLUSION

Based on the results of the financial ratio analysis, including the Liquidity Ratio, Solvency Ratio, Activity Ratio, and Profitability Ratio, it can be concluded that in 2023, PT Adaro Minerals Indonesia Tbk has adequate financial condition. Thus, the company still has sufficient ability to carry out actions such as guarantees and debt payments to creditors. In addition, the results of this financial ratio analysis also indicate that PT Adaro Minerals Indonesia Tbk is an attractive investment choice for investors, considering the company's financial condition which is still quite good that year. It is recommended to perform the calculation of two additional ratios apart from the Analysis of Liquidity Ratio, Solvency Ratio, Activity Ratio, and Profitability Ratio. First, Growth Ratio Analysis can provide an overview of a company's ability to maintain its economic stability in the face of economic growth and its business sector. Second, Valuation Ratio Analysis can provide a measure of the extent to which management is able to create market value of the business above the cost of investment.

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