

**Financial Performance Measurement Using Profitability Ratios and Liquidity Ratios****Yusneni Afrita Nasution<sup>1\*</sup>, Yusleny<sup>1</sup>**

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\*Email: [yusneniafrita@umsu.ac.id](mailto:yusneniafrita@umsu.ac.id)**ABSTRACT**

This study aims to examine the analysis of financial performance measured using profitability ratios and liquidity ratios at PT. Sanobar Gunajaya. The profitability ratio is a ratio to assess a company's ability to make a profit, this ratio also provides a measure of the effectiveness of a company's management. While the liquidity ratio is a ratio that describes the company's ability to meet short-term (debt) obligations, meaning that if the company is billed, the company will be able to fulfill its obligations that are due. The method used in this study is a descriptive method, where to analyze financial statements using profitability ratio analysis consisting of the ratios of Gross Profit Margin, Profit Margin, Return On Investment, and Return On Equity as well as liquidity ratios consisting of Current Ratio and Quick Ratio to assess the company's financial performance. From the results of the research discussed earlier, it can be concluded that the profitability ratio in terms of the company's ability to generate profits or profits, where for research using the Gross Profit Margin in 2016 - 2020 as a whole the company is in a good position, even during the period from fluctuate from year to year. In the study using Profit Margin in 2012 - 2016 the company as a whole was in a good position, even though it fluctuated from year to year. In research using Return On Investment in 2016 – 2020, the company as a whole is in a good position, although from year to year it has decreased. In research using Return On Equity in 2016 – 2020, the company as a whole is in a good position, even though it has decreased from year to year. For the liquidity ratio itself, in the sense of the company's ability to fulfill its short-term obligations when they are due in 2016 - 2020 where the results show that the Current Ratio and Quick Ratio show that the company's financial performance is in good condition, even though during the period it has fluctuated from year to year.

**Keywords :** Financial Performance, Profitability Ratios and Liquidity Ratios

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### INTRODUCTION

The performance appraisal for each company is certainly different because it depends on the scope of the business being carried out. To decide whether a business entity or company has good quality, the most dominant assessment can be used as a reference to see that the business entity/company has implemented good management principles by looking at its financial performance. Financial performance is an analysis carried out to see how far a company has carried out by using the rules of financial implementation properly and correctly (Fahmi, 2017, p. 2). Financial performance is a description of the financial condition in a certain period, both in terms of aspects of data collection and distribution of funds, which are usually measured by the capital adequacy indicator (Jumingan, 2006, p. 239). As for knowing the financial condition of a company, a financial report is needed. This financial report is useful to determine the company's ability to generate profits and be able to pay short-term debt with various resources owned. The financial performance in the financial statements of the company/business entity concerned is reflected in the information obtained on the balance sheet, income statement, and cash flow statement as well as supporting matters as valuation boosters. Financial reports must be accounted for by the management of the entrusted resources. Analysis of the company's financial statements is the end result of accounting activities (accounting cycle) that reflects the company's financial condition and operating results (Rudianto, 2013, p. 190).

Profitability analysis on a company's financial statements for its financial performance is used to determine the company's ability to effectively manage it, indicated by the profit generated from sales. Profitability ratios are used to measure how effective management is in managing the company's assets and equity to generate profits (Halim, 2015, p. 214).

While the importance of the complete liquidity ratio requires the preparation of a cash budget (estimated cash in and cash out), ratio analysis, by linking the amount of cash and other current assets with short-term liabilities can provide an easy and fast measure. The liquidity ratio is often also known as the working capital ratio (current asset ratio), which is the ratio used to measure how liquid a company is. (Hery, 2017, p. 285).

The following is the financial report tabulation data for PT. Sanobar Gunajaya :

**Table 1.**

Net profit

At PT. Sanobar Gunajaya

Year 2016 – 2020

Year	Net profit	Increase/Decrease
2016	IDR 899,001,285	-
2017	IDR 605,417,711	(32.66%)
2018	IDR 953,110,589	57.43%
2019	IDR 637,218,717	(33.14%)
2020	IDR 80,730,385	(87.33%)

Source: PT. financial report data. Sanobar Gunajaya (2018)

From the data above, it can be seen that in table I.1 the net profit of PT. Sanobar Gunajaya in 2016 – 2020 experienced an imbalance of the ups and downs of the profit it generated. The decline in net profit occurred in 2017, 2019 and 2020 due to the company's ability to obtain net profit compared to sales which could not be covered compared to the

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previous year, causing a decline. Whereas in 2018 there was an increase in net profit of 57.43%, namely Rp. 953,110,589 from 2017.

**Table 2.**

Total assets

At PT. Sanobar Gunajaya

Year 2016 – 2020

Year	Total assets	Increase/Decrease
2016	IDR 3,083,853,233	-
2017	IDR 5,682,008,481	84.25%
2018	IDR 10,456,223,832	84.02%
2019	IDR 9,453,921,038	(9.59%)
2020	IDR 18,972,696,284	100.69%

Source: PT. financial report data. Sanobar Gunajaya (2018)

From the data above, it can be seen that total assets have increased in 2017, 2018 and 2020, due to increased investment in inventories, assets and trade receivables. This proves that the company can fulfill all of the company's long-term and short-term obligations. In 2019 assets decreased from 2018 of Rp. 10,456,223,832 to Rp. 9,453,921,038, due to a decrease in the company's ability to generate net profit and increase in company assets.

**Table 3**

Sale

At PT. Sanobar Gunajaya

Year 2016 – 2020

Year	Sale	Increase/Decrease
2016	IDR 14,790,426,518	-
2017	IDR 4,534,977,224	(69.34%)
2018	IDR 14,203,748,600	213.20%
2019	IDR 8,405,783,998	(40.82%)
2020	IDR 3,117,104,521	(62.92%)

Source: PT. financial report data. Sanobar Gunajaya (2018)

From the data above, it can be seen that sales have increased in 2018, namely 213.20%, amounting to Rp. 14,203,748,600. Decrease in sales occurred in 2017, 2019 and 2020. This occurred due to reduced consumer demand for PT. Sanobar Gunajaya itself. The company should follow up on how to increase sales so that the company can reduce the total amount of the company's debt.

### THEORETICAL BASIS

The definition of financial performance in general is a level of success achieved by a company in managing the company's finances so that good management results are obtained. According to (Fahmi, 2017, p. 2) Financial performance is an analysis carried out to see how far a company has carried out by using the rules of financial implementation properly and correctly. Meanwhile according to (Sugiono & Untung, 2016, p. 75) analysis of

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the company's financial performance is the result of many individual decisions that are made continuously by management or is a record of the results achieved from the function of a particular activity during a certain period of time.

According to (Munawir, 2002, p. 56) Financial statements are information that is expected to be able to provide assistance to users in obtaining information regarding the financial position and results achieved by the company concerned.

There are 2 very important financial statement analysis contributions to financial management according to (Rambe & et al, 2015, p. 38), that is :

- 1) Financial analysis can provide an assessment of the relationship between elements that make up the financial structure, namely management of assets, liabilities and equity as seen from the balance sheet figures.
- 2) Financial analysis also assesses the relationship between assets and liabilities, and even more precisely between current assets and short-term liabilities. Financial analysis techniques provide the basis for assessing the relationships between elements contained in the financial structure.

The factors that affect financial performance according to (Munawir, 2007, p. 30):

- 1) Liquidity, which is able to show the ability of a company to meet its financial obligations when billed.
- 2) Solvency, which is able to show the company's ability to meet its financial obligations if the company is liquidated both short term and long term finance.
- 3) Rentability or profitability, which shows the company's ability to generate profits during a certain period.
- 4) Stability, which indicates the company's ability to carry out its business stably, which is measured by considering the company's ability to pay interest expenses and the company's ability to pay dividends regularly without experiencing financial difficulties or crises.

Based on the theory above, it can be concluded that the financial performance presented by a company or agency can provide a signal for dividend growth and company activity.

**Financial Ratios**

According to (Kasmere, 2013, p. 104), financial ratios are activities of comparing the numbers in the financial statements by dividing one number by another number.

In this regard according to (Fahmi, 2017, p. 45), financial ratio analysis itself begins with basic financial statements, namely from the balance sheet, income statement, and cash flow statement.

From the above statement it can be concluded that financial ratios and company financial performance have a very close relationship. Financial ratios are units of measurement for calculating and knowing the financial performance of the company's financial statements by comparing each number on the company's balance sheet and profit and loss statements. The factors that affect financial ratios according to (Samryn, 2012, p. 14) that is:

- 1) The cause of the weakness of financial ratio analysis is related to the identification of the business sector for the company to be analyzed. For a company that will carry out activities in many lines of business, it is sometimes difficult to identify the relevant category.

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- 2) Intervention differences among accounting practitioners. Accounting practitioners in companies often provide different interpretations of similar transactions that occur. This causes differences in accounting treatment for these transactions and can ultimately lead to differences in ratio calculations.
- 3) Financial ratios relate to seasonal fluctuations in business activities. In practice, many businesses whose volume of activity is influenced by the seasons, whether caused by nature or changes, make additional interventions to adjust the results of the analysis so that they are closer to the actual situation.

From his quote above it can be concluded that the ratio can be useful when compared with the factors that influence it. Financial ratios also provide effective and accurate information to calculate the company's financial performance.

### Profitability Ratio

According to (Kasmere, 2013, p. 196) said that the profitability ratio is the ratio to assess the company's ability to make a profit. In this regard according to (Raharjaputra, 2011, p. 205) said that this ratio measures the ability of company executives to create a level of profit both in the form of company profits and economic value on sales, company net assets and equity (shareholders equity). In the explanation above, it can be concluded that the use of profitability ratios shows the efficiency of the company and is a tool for measuring company profits in order to see the company's development within a certain time span. In general practice there are 4 (four) types of ratios, namely: gross profit margin, net profit margin, return on investment (ROI), and return on net work according to:

- 1) The gross profit margin formula is:

$$\frac{\text{Sales} - \text{Cost of Good Sold}}{\text{Sales}}$$

Information :

$$\frac{\text{Cost of Good Sold}}{\text{Sales}} = \begin{matrix} \text{= Cost of Goods Sold} \\ \text{= Sales} \end{matrix}$$

- 2) The net profit margin formula is:

$$\frac{\text{Earning After Tax (EAT)}}{\text{Sales}}$$

Information :

$$\text{Earning After Tax (EAT)} = \text{Profit after tax}$$

- 3) The return on investment (ROI) formula or return on investment is:

$$\frac{\text{Earning After Tax (EAT)}}{\text{Total Assets}}$$

- 4) The formula for total asset turnover (total asset turnover) is:

$$\frac{\text{Earning After Tax (EAT)}}{\text{Shareholders' Equity}}$$

Information :

$$\text{Shareholders' Equity} = \text{Own Capital}$$

In the quotation above, it can be concluded that the better the profitability ratio, the better it describes the ability to achieve high profits and company profits.

### Liquidity Ratio

According to (Halim, 2015, p. 216) states that a company is said to be liquid if the company has the power to pay (in the form of current assets) to such an extent that it is able

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to fulfill all of its short-term obligations that must be fulfilled immediately (in the form of current liabilities). Meanwhile according to (Riyanto, 2008, p. 25) states that liquidity is the ability of a company to meet its financial obligations that must be met immediately. Roughly and not as an absolute guideline, it is said that for companies other than credit companies, a current ratio of less than 2: 1 is considered not good. However, a few healthy companies have a current ratio of less than 2: 1. This depends on the cash flow of the company concerned.

The liquidity ratio is the ability of a company to meet its short-term obligations in a timely manner (Fahmi, 2017, p. 59). In general there are 2 (two), namely the current ratio and the quick ratio (acid test ratio), namely:

- 1) The current ratio formula is:

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Information :

*Current Assets* = Current Assets

*Current assets* are items that are one year old or less, or the normal operating cycle of a larger business.

*Current Liabilities* = Current Debt

*Current Liabilities* is a payment obligation within 1 (one year) or the normal operating cycle of the business.

- 2) The quick ratio formula (acid test ratio) is:

$$\frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}}$$

Information :

*Inventories* = Inventory

Inventories consist of: supplies of office equipment (supplies), raw material inventories (raw materials), in-process goods inventories and finished goods inventories.

**conceptual framework**

In providing an overview of the framework in this section, research can be developed on the analysis of financial performance as measured using financial ratios in previous research, namely, according to research from (Noor, 2011, p. 23) Based on the regression results of the six independent variables, it shows that the net profit margin variable shows the most dominant influence on the financial performance (return on investment) of go-public telecommunications companies listed on the Indonesia Stock Exchange. According to (Maith, 2013, p. 619) based on the liquidity ratio each year has increased so that the state of the company is categorized as in good condition (liquid). And the solvency ratio shows that the company's capital is no longer sufficient to guarantee debts provided by creditors so that the company's condition is said to be insolvable. Judging from the activity ratio, it shows an increase every year so that the company's condition is said to be in good condition. Based on the profitability ratios, it shows an increase from year to year so that it can be said that the company is in a good position. According to (Gunawan & Wahyuni, 2013, p. 63) based on the results of the research and discussion that have been determined

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previously, it can be concluded from research regarding the effect of Total Assets Turnover, Fixed Assets Turnover, Inventory Turnover, Current Ratio, Dept. To Assets Ratio and Dept. To Equity Ratio on Profit Growth in Trading Companies listed on the Exchange Indonesian Securities (IDX) for the period 2006 to 2011 with a sample of 10 companies, namely Total Assets Turnover, Fixed Assets Turnover, Inventory Turnover, Current Ratio, Dept. To Assets Ratio and Dept. To Equity Ratio, which together have a significant effect on Profit Growth According to (Pongoh, 2013), (Kaunang, 2013), (Irayanti & Tumbel, 2014), (Almilia & Kristijadi, 2003), (Margaretha & Letty, 2017), (Martono, 2002), (Orniati, 2009), (Christiano, Tommy, & Saerang, 2014) Based on the overall liquidity ratio, the condition of the company is in good condition, even though it has fluctuated from year to year. Based on the overall profitability ratios the company is in a good position.

In this study it can be concluded that financial ratios play an important role in assessing a company's financial performance. The goal is to find out the level of profit and find out the company's financial position.

### METHOD

This study describes the financial performance of PT. Sanobar Gunajaya with the aim of being able to find out the company's financial performance and to explain problem solving based on the data studied by presenting data and interpreting the results of this study. Descriptive method is a method used to describe or analyze a research result but not used to make broader conclusions (Sugiono, 2016, p. 147).

1. The profitability ratios that the authors use in this study are:

- a. *Gross profit margin* namely the comparison between earnings before interest and tax (sales-HPP) with sales.

The gross profit margin formula is:

$$\frac{\text{Sales} - \text{Cost of Good Sold}}{\text{Sales}}$$

Information :

$$\begin{aligned} \text{Cost of Good Sold} &= \text{Cost of Goods Sold} \\ \text{Sales} &= \text{Sales} \end{aligned}$$

- b. *Profit margin* (profit margin on sale). Profit margin on sales, calculated from dividing net profit after tax by sales, shows profit per rupiah of sales.

The net profit margin formula is:

$$\frac{\text{Earning After Tax (EAT)}}{\text{Sales}}$$

Information :

$$\text{Earning After Tax (EAT)} = \text{Profit after tax}$$

- c. *Return on investment* the comparison between net income and total assets measures the rate of return on total investment.

The return on investment formula or return on investment is:

$$\frac{\text{Earning After Tax (EAT)}}{\text{Total Assets}}$$

- d. *Return on equity* namely the comparison between profit after tax and own capital is the level of profit from the investment of the owner's own capital.

The formula for total asset turnover (total asset turnover) is:

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$$\frac{\text{Earning After Tax (EAT)}}{\text{Shareholders' Equity}}$$

Information :

$$\text{Shareholders' Equity} = \text{Own Capital}$$

2. The liquidity ratio that the author uses in this study is:

a. *Current ratio* is the ratio between current assets and current liabilities.

The formula of the current ratio is as follows :

$$\text{Current ratio} = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}}$$

b. *Quick ratio* or "acid test ratio". This ratio is calculated by subtracting total inventories from current assets and dividing the remainder by current liabilities.

The quick ratio formula is as follows:

$$\text{Quick ratio} = \frac{\text{Aktiva Lancar} - \text{Persediaan}}{\text{Hutang lancar}}$$

The type of data used in this research is quantitative data. Quantitative data is data in the form of figures from financial reports (balance sheet and profit and loss) and financial ratios. Source of data in this research is secondary data. Secondary data is generally in the form of evidence, records, or historical reports that have been compiled by archives or documentary data, both published and unpublished. The sources of data taken are financial statements for the last 5 (five) years, namely from 2016, 2017, 2018, 2019, 2020 from PT. Sanobar Gunajaya.

## RESULT AND DISCUSSION

The data obtained in analyzing financial performance uses data on the condition of financial reports in the form of balance reports and profit and loss reports of PT. Sanobar Gunajaya for the last 5 years, from 2016 to 2020. Financial performance is then measured using profitability ratios and liquidity ratios. The following is a tabulation of profitability ratios and liquidity ratios at PT. Sanobar Gunajaya period 2016 – 2020 :

**Table 4.**

Tabulation of Profitability Ratios and Liquidity Ratios

Year 2016 – 2020

RATIO	YEAR					AVERAGE
	2016	2017	2018	2019	2020	
<b>Profitability Ratio</b>						
GPM	9.75%	20.59%	11.07%	12.62%	16.52%	14.11%
PM	6.08%	13.35%	6.71%	7.58%	2.59%	7.26%
ROI	29.15%	10.65%	9.12%	6.74%	0.43%	11.22%
ROE	2247.50%	1513.54%	47.66%	31.86%	4.04%	768.92%
<b>Liquidity Ratio</b>						
Current Ratio	1067.44%	245.69%	223.96%	343.62%	60.12%	388.17%
Quick Ratio	1067.44%	21.59%	173.81%	185.73%	12.34%	292.18%

**Source:** PT. Sanobar Gunajaya (2018)

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In the table above it can be seen that the average produced by the company in 2016 - 2020 in calculating the profitability ratio is measuring financial performance in terms of the profits generated by the company. The resulting average profit margin is only 7.26%. The average gross profit margin generated in the last 5 years is 14.11%, while ROI is 11.22% and ROE is 768.92%, these three ratios are quite better than measurements made with profit margin ratios. For the liquidity ratio used to measure a company's ability to pay for the company's short-term ability, the current ratio formula is used, where the average produced by the company in 2016 - 2020 is 388.17%. Meanwhile, when measured using the quick ratio formula, the average produced by the company in 2016 - 2020 is 292.18%. Judging from the calculation results using the two formulas, the ratio of liquidity in PT. Sanobar Gunajaya ratio obtained is quite healthy. Company PT. Sanobar Gunajaya is expected to be able to repay his debts and meet his short-term financial needs.

*Gross profit margin* namely the comparison between earnings before interest and tax (sales-HPP) with sales. Revenue obtained by the company from the sale of products such as delivery of goods/services is then measured as a tool to assess the company's financial performance. Gross profit margin generated by PT. Sanobar Gunajaya experienced an increase in 2017 of 20.59% from the previous year in 2016 which was 9.75%. This is due to the achievement of high dominant sales. In 2018 it decreased by 11.07%. This decrease is in line with the decrease in the level of sales or income at the company. And then in 2019 and 2020 it has increased again compared to the previous year, namely 12.62% and 16.52%. Judging from these data for measuring the financial performance of PT. Sanobar Gunajaya uses the resulting gross profit margin ratio which is quite good because the result is a higher sales level than the cost of goods sold so that the company can make a profit.

Financial performance is measured using the profit margin ratio by calculating the company's net profit with sales. This ratio is useful for knowing the company's net profit that has been generated during one period. On the profit margin generated at PT. Sanobar Gunajaya can be seen in 2016 the profit margin generated by the company was only 6.08%. In 2017 the profit margin increased from 2016, which was 13.35%, due to an increase in sales or demand. Then the profit margin decreased in 2018, namely 6.71%. And in 2019 the profit margin has again increased compared to the previous year, which was 7.58%, then in 2020 it has again decreased, which is 2.59%. This is certainly not good considering that the profit earned from sales has not been maximized in order to meet other needs, such as the profit that has been obtained must pay the income taxpayer first. So that the net profit compared to the sales generated is not good enough. The profit margin ratio generated by PT. Sanobar Gunajaya has increased and decreased every year, and the average profit over the 5 year period generated is only 7% which is the smallest value compared to the use of other profitability ratios.

*Return On Investment* is the ratio that shows the ability of capital invested in overall assets to generate net profits. Return On Investment is the total assets that actually generate profits (Riyanto, 2008, p. 336). Return On Investment generated by PT. Sanobar Gunajaya has decreased every year from 2016 – 2020. In 2016 the Return On Investment achieved by the company was 29.15% and the decline occurred again in 2017 which was 10.65%. Return On Investment continues to experience a decline in its achievements in 2018 - 2020, namely 9.12%, 6.74% and 0.43%. Achievement of Return On Investment in the last 5 years period amounted to 11.22%.

*Return On Equity* is the ratio that shows the ability of the capital invested in all assets to generate profits for investors (shareholders) (Riyanto, 2008, p. 336). In 2016 PT. Sanobar

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Gunajaya obtained a Return On Equity of 2247.50% and in 2017 it was 1513.54%. The Return On Equity value obtained is quite high because the net profit generated exceeds the existing investment in the company. This is good enough so that the profits to be generated by the company are quite high. In 2018 the company experienced a significant decrease from the previous year, Return On Equity obtained 47.66% and in 2019 also decreased by 31.86%, this was due to increased investment in the company and greater net profit generated. However, in 2020 Return On Equity decreased to 4.04%, very bad compared to previous years. This shows that the company in 2020 experienced an unfavorable Return On Equity ratio, because revenue has increased but the increase in expenses is greater than income. This shows that the company's management has not been able to generate profits with the capital available in the company.

*Current ratios* is the ability to pay debts that must be met with current assets. The current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due soon when billed as a whole. Judging from the research results from 2016 - 2019 the value achieved by PT. Sanobar Gunajaya, namely 1067.44%, 245.69%, 223.96% and 343.62%. This is due to the company's debts decreasing and the value is smaller compared to the company's current assets which are larger. In 2020 the current ratio has decreased significantly, namely 60.12%, this is due to an increase in corporate debt compared to the company's current assets. These debts include other debts, long-term maturing debts, debt between legal entities as well as income tax debt. However, because the current ratio in the previous year had a higher value, it can cover the 2020 shortfall which has decreased. The current ratio generated for 5 consecutive years is a fairly healthy ratio, because in the last 5 years, namely 2016 – 2020, it is estimated that the company is able to pay its short term obligations using its current assets.

*Quick ratios* is a ratio that is also used to measure a company's ability to meet the company's short-term needs. Measurement is done by subtracting inventories from current assets and dividing the remainder by current liabilities. Judging from the quick ratio of PT. Sanobar Gunajaya has increased and decreased every year. From the research results it can be seen that the quick ratio obtained by the company in 2016 was quite high, namely 1067.44%. The resulting ratio is quite healthy and good for the company. This is due to the large current assets compared to inventory and current liabilities of the company. In 2018 and 2019 the quick ratio has again increased, namely by 173.81% and 185.73%. So that in 2018 and 2019 the company is expected to be able to pay short-term debt and finance the company's operational costs. A significant decrease occurred in the following year, namely 2017 and then in 2020, namely 21.59% and 12.34%. This is due to the company's debt which has increased compared to the company's current assets and inventories. The resulting ratio value is quite low, but the company is still able to finance the company's short-term liabilities.

## CONCLUSION

Based on the results of research conducted by the author, it can be concluded as follows:

Based on the results of research and analysis of company data at PT. From Sanobar Gunajaya it can be seen that for the profitability ratio there was a decrease in Net Profit on sales generated in 2017, 2019 and 2020 due to declining consumer demand, so that the level of the resulting profitability ratio also decreased. Based on the results of research for measuring profit margin indicators, the ratio is said to be good. However, the resulting value is smaller

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than other profitability ratios. The company's profit margin performance with an average value of only 7% is due to the low profit the company earns on sales. Based on the results of research and analysis of company data at PT. Sanobar Gunajaya can be seen that the profitability ratios from 2016 to 2020 for Gross Profit Margin, Profit Margin, Return On Investment, and Return On Equity ratios are in a good position, but have increased and decreased (fluctuated) every year. Based on the results of research and analysis of company data at PT. Sanobar Gunajaya can be seen that for the liquidity ratio there is an increase in Total Assets in Fixed Assets which results in an increase in the liquidity ratio. However, there was an addition and investment in the company's inventory of assets resulting in a decrease in the liquidity ratio. Based on the results of financial performance research, seen from the liquidity ratio, there is a difference between the Quick Ratio and the Current ratio, where the Current Ratio increases while the Quick Ratio decreases, which means that there is an investment in inventory. Based on the results of research and analysis of company data at PT. Sanobar Gunajaya can be seen that for the liquidity ratio from 2016 to 2020 for the current ratio and quick ratio both ratios are in a good position, but have increased and decreased (fluctuated) every year.

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