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Measurant of Financial Performance Using Working Capital at PT. Nusantara Plantation III (Persero) Medan

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ABSTRACT
The purpose of this study is to analyze the level of working capital each year in each ratio and also in terms of the level of liquidity ratios, solvency ratios, activity ratios and profitability ratios at PT. Nusantara Plantation III (Persero) Medan. This research method uses a descriptive approach with the variables used are working capital and financial performance with research data sources in the form of secondary data. The author uses data collection techniques, namely documentation. The data analysis technique used by the authors in this study is descriptive analysis. Based on the results of the research and discussion that has been carried out, it can be concluded that working capital is fully effective for measuring financial performance at PT. Nusantara Plantation III (Persero) Medan.

Keywords : Working Capital, Financial Performance

INTRODUCTION

Along with the development of the business world at this time, companies must be able to manage their business properly in order to be able to survive in the competition. Strong companies will survive, while companies that are unable to compete will likely be liquidated or go bankrupt. Therefore, to be able to deal with the changes that occur, companies certainly need to carry out management functions, which include planning, organizing and controlling properly so that the company's main goals can be achieved. Besides that, the company also needs to manage capital properly so that there is sufficient capital available to carry out operational improvement activities, such as adding workers, machines and others or in expanding the business. Efforts to increase the company's growth rate are needed strategically in carrying out development. Taking advantage of the opportunities required for a company's management is cooperation between the respective sub-systems contained within the company. Working capital is very important for the company. Companies that do not have sufficient working capital will find it difficult to carry out their activities, or their operations will stall (Utari & Prawironegoro, 2014, p. 93). Analysis of sources and uses of working capital is an important financial analysis tool for managers to measure financial performance in companies. By analyzing the sources and uses of working capital, it will be known how the company manages or uses its working capital as well as possible so that the company can carry out its daily operations without interruption.(Prayogo & Maqsudi, 2016, p. 111). The company which is the object of this research is PT. Perkebunan Nusantara III (Persero) Medan, which is one of the State-Owned Enterprises (BUMN). The company is engaged in oil palm and rubber plantations. Based on data on the financial statements of PT. Perkebunan Nusantara III (Persero) Medan, which is compiled annually and the results of working capital have increased from 2016 to 2020. The following table shows the use of working capital for PT. Perkebunan Nusantara III (Persero) Medan for the period 2016 – 2020.

Table 1. Working Capital at PT. Nusantara Plantation III (Persero) Medan Period 2016 – 2020

Year	Current asset	Current liabilities
2016	2,112,986,995,642	1,779,882,978,579
2017	1,599,868,616,630	2,197,853,435,455
2018	1,709,756,353,536	2,011,780,770,795
2019	2,780,774,348,912	2,013,315,311,896
2020	5,717,823,427,545	3,484,200,648,409

Source: PT. Nusantara Plantation III (Persero) Medan

Based on the data above, it can be seen that the phenomenon that occurs is the use of working capital changes every year. This can be seen by the decrease in current assets in 2017 amounting to 1,599,868,616,630 which was previously in 2016 amounting to 2,112,986,995,642. In 2018 current assets amounted to 1,709,756,353,536. In 2019 current assets increased by 2,780,774,348,912 and in 2020 current assets also continued to increase by 5,717,823,427,545.

With the fulfillment of working capital, the company can maximize the level of profit. Companies with a shortage of working capital can endanger the survival of the company, as a result of not being able to meet the liquidity and profit targets desired by the company. Adequacy of working capital is also one measure of management performance(Kasmere, 2012, p. 252).
The following is a current ratio table at PT. Perkebunan Nusantara III (Persero) Medan for the 2016 – 2020 period as follows:

Table 2. Current Ratio at PT. Nusantara Plantation III (Persero) Medan
Period 2016 – 2020

Year	Current asset	Current liabilities
2016	2,112,986,995,642	1,779,882,978,579
2017	1,599,868,616,630	2,197,853,435,455
2018	1,709,756,353,536	2,011,780,770,795
2019	2,780,774,348,912	2,013,315,311,896
2020	5,717,823,427,545	3,484,200,648,409

Source: PT. Nusantara Plantation III (Persero) Medan

From the data above it can be seen that the current ratio owned by the company decreases and increases every year. This can be seen by the decrease in current assets in 2017 amounting to 1,599,868,616,630 which was previously in 2016 amounting to 2,112,986,995,642. In 2018 current assets amounted to 1,709,756,353,536. In 2019 current assets have increased by 2,780,774,348,912 and in 2020 current assets have also continued to increase by 5,717,823,427,545.

From the measurement results, the higher the amount of current assets to current liabilities, the greater the confidence in being able to pay these current liabilities. The current ratio or current ratio is a ratio that measures a company's ability to meet its short-term obligations that will mature soon by using existing current assets. In other words, how much current assets are there to pay its obligations(Hery, 2014, p. 142).
The following table cash ratio at PT. Perkebunan Nusantara III (Persero) Medan for the 2016 – 2020 period as follows:

Table 3. Cash Ratio at PT. Nusantara Plantation III (Persero) Medan
Period 2016 – 2020

Year	Cash or cash equivalent	Current liabilities
2016	1,454,138,126,456	1,779,882,978,579
2017	1,172,308,853,516	2,197,853,435,455
2018	827,081,535,887	2,011,780,770,795
2019	645,764,362,616	2,013,315,311,896
2020	938,198,472,534	3,484,200,648,409

Source: PT. Nusantara Plantation III (Persero) Medan

From the data above it can be seen that the cash ratio has decreased every year. This can be seen in the amount of cash or cash equivalents that has decreased every year, but the amount of current debt continues to increase. In 2016 cash or cash equivalents amounted to1,454,138,126,456. In 2017 it decreased by 1,172,308,853,516. In 2018 it also continued to experience a decrease of 827,081,535,887. In 2019 cash or cash equivalents amounted to 645,764,362,616. In 2020 cash or cash equivalents amounted to 938,198,472,534.

From the measurement results, if the condition of the cash ratio is too high it is also not good for the company because there are funds that are idle or that have not been used optimally. On the other hand, if the cash ratio is low, conditions like this are also not good for the company because it still takes time to pay off liabilities to sell some of the existing current assets.

The following table debt ratio at PT. Perkebunan Nusantara III (Persero) Medan for the 2016 – 2020 period as follows:

Table 4. Debt Ratioat PT. Nusantara Plantation III (Persero) Medan
Period 2016 – 2020

Year	Total Amoun of debt	Total assets
2016	5,187,277,307,525	11,036,470,895,352
2017	6,359,462,626,086	24,892,186,462,265
2018	7,907,765,136,030	44,744,557,309,434
2019	8,140,460,149,392	45,974,830,227,723
2020	11,230,196,506,592	49,700,439,661,061

Source: PT. Nusantara Plantation III (Persero) Medan

From the data above it can be seen that the debt ratio changes every year every year. This can be seen from the total debt which continues to increase every year, but the total assets also experience a very significant increase. In 2016 the total debt owed was5,187,277,307,525. In 2017 total debt amounted to 6,359,462,626,086. in 2018 total debt amounted to 7,907,765,136,030. In 2019 the total debt is 8,140,460,149,392 and in 2020 the total debt is 11,230,196,506,592.

The solvency ratio is the ratio used to measure the extent to which a company's assets are financed by debt, which means how much debt the company bears compared to its assets. In other words, the solvency ratio is the ratio that measures the amount of debt used in company purchases(Sudana, 2011, p. 20).

The following is a table of total asset turnover at PT. Perkebunan Nusantara III (Persero) Medan for the 2016 – 2020 period as follows:

Table 5. Total Asset Turnoverat PT. Nusantara Plantation III (Persero) Medan
Period 2016 – 2020

Year	Sale	Total assets
2016	5,708,476,623,601	11,036,470,895,352
2017	6,232,179,227,727	24,892,186,462,265
2018	5,363,366,034,203	44,744,557,309,434

Year	Sale	Total assets
2019	5,847,818,785,012	45,974,830,227,723
2020	6,002,370,863,637	49,700,439,661,061

Source: PT. Nusantara Plantation III (Persero) Medan

From the data above it can be seen that the total asset turnover each year has decreased. This can be seen from the number of unstable sales. In 2016 sales amounted to5,708,476,623,601. In 2017 sales amounted to 6,232,179,227,727. In 2018 sales amounted to 5,363,366,034,203. In 2019 sales were 5,847,818,785,012 and in 2020 sales were 6,002,370,863,637. From the measurement results, if the total asset turnover ratio is higher, the company operates well and uses its assets efficiently, but if it is the other way around, the company is in a bad condition, meaning that the company is not efficient in using its assets compared to other companies.

The following is a profit margin table at PT. Perkebunan Nusantara III (Persero) Medan for the 2016 – 2020 period as follows:

Table 6. Profit Marginsat PT. Nusantara Plantation III (Persero) Medan
Period 2016 – 2020

Year	Net profit	Sale
2016	396,777,055,383	5,706,476,623,601
2017	446,994,367,342	6,232,179,227,727
2018	596,372,459,810	5,363,366,034,203
2019	911,999,643,578	5,847,818,785,012
2020	1,229,464,174,674	6,002,370,863,637

Source: PT. Nusantara Plantation III (Persero) Medan

From the data above, it can be seen that the profit margin changes every year. This can be seen from the amount of net profit earned continues to increase. In 2016 net profit of396,777,055,383. In 2017 the net profit was 446,994,367,342. In 2018 the net profit was 596,372,459,810. In 2019 it was 911,999,643,578 and in 2020 the net profit was 1,229,464,174,674.

From the measurement results, if the total profit margin ratio gets lower, it means that there is a possibility of increasing the amount of indirect costs which is quite high relative to sales, or maybe also a high tax burden for that period.

THEORETICAL BASIS

Financial performance

Financial performance is an analysis that is carried out to see how far a company has carried out by using the rules of financial implementation properly and correctly. Such as by making a financial report that meets the standards and provisions of SAK (Financial Accounting Standards) or GAAP (General Accepted Accounting Principles), and others.(Fahmi, 2017, p.

239). Performance is the result of an evaluation of the work that has been completed, the results of the work are compared with predetermined criteria(Sujarweni, 2017, p. 71).

Performance Measurement Tool

Ratio is an analytical tool used to determine whether a company's financial condition is good or bad. Ratio analysis can reveal important relationships and become the basis for comparison in finding conditions that are difficult to detect by studying the individual components that make up the ratio. The ratio is most useful when oriented forward. The ratio describes a relationship between a certain amount and another amount. By using an analytical tool in the form of this ratio, it will be able to provide an overview to the analyst about the good or bad condition or financial position of a company, especially when the ratio figure is compared with the comparison ratio figure used as a standard.(Munawir, 2012, p. 64).

Working capital

Working capital is the excess of current assets over short-term debt. This excess is called net working capital. This excess is the amount of current assets that come from long-term debt and own capital. This definition is qualitative in nature because it indicates the possibility of greater availability of current assets than short-term and indicates the level of security for short-term creditors and guarantees business continuity in the future.

Working capital is the amount of current assets. This amount is gross working capital (gross working capital). This definition is quantitative because it shows the amount of funds used for short-term operating purposes. The timing of the availability of working capital will depend on the type and level of liquidity of the elements of current assets, such as cash, marketable securities, receivables and inventories.

Working capital is one element of assets that is so important in a company, because without working capital the company cannot meet the funding needs to be able to carry out its operational activities.(Rambi & N. Untu, 2017, p. 1771).

METHOD

The research used is a descriptive approach, namely researching and trying to get accurate and correct data. The data is discussed and described quantitatively which is arranged systematically.

The operational definition is not a theoretical definition/understanding as in the theory chapter, but an operationalization of a variable, in the form of a measurement or test of a variable (Juliandi & Manurung, 2015, p. 113). Measurement or testing can be seen from indicators, criteria, benchmarks, measuring instruments, test equipment to determine the quality or quantity of a variable. The type of data used in this study is quantitative data, namely data analysis of data containing certain numbers or numbers (Juliandi & Manurung, 2015, p. 85). The data collection technique used in this study is to use documentation techniques, namely collecting available data in the company in the form of financial reports related to the research object,

The data analysis technique used by the authors in this study is descriptive analysis. Descriptive analysis is an analytical technique by first collecting data, classifying financial report data, interpreting and analyzing data so that it can provide a clear picture of the problem under study.

RESULT AND DISCUSSION

The results of the research and discussion are an overview of the results obtained from the research. In research there are data or information that are interconnected with financial statements. The data obtained is the financial condition for the 5 year period from 2016 to 2020 at PT. Nusantara Plantation III (Persero) Medan. The data obtained is a financial report in the form of a balance sheet and profit and loss. Then the financial report data is analyzed using the working capital ratio to measure the company's financial performance. The results of the assessment of a company's working capital can be used as a benchmark to see how much it relates to the company's financial performance where in this study the measurements used are the current ratio, cash ratio, debt ratio, total asset turnover, profit margin, gross profit margin. The following is an explanation of the working capital ratio to measure a company's financial performance, namely: Working capital is capital used to carry out company operations, where working capital is defined as an investment invested in the form of current assets or short-term assets, such as cash or cash equivalents, securities, receivables, inventories, and other current assets. Working capital should be available in sufficient quantities so that the company can operate properly. So it can be said that working capital is an important financial analysis tool to find out how a company manages or uses the company's working capital.

The calculation of working capital by subtracting current assets with current liabilities or calculated by: The following is an explanation of the working capital ratio to measure a company's financial performance, namely: Working capital is capital used to carry out company operations, where working capital is defined as an investment invested in the form of current assets or short-term assets, such as cash or cash equivalents, securities, receivables, inventories, and other current assets. Working capital should be available in sufficient quantities so that the company can operate properly. So it can be said that working capital is an important financial analysis tool to find out how a company manages or uses the company's working capital. The calculation of working capital by subtracting current assets with current liabilities or calculated by: The following is an explanation of the working capital ratio to measure a company's financial performance, namely: Working capital is capital used to carry out company operations, where working capital is defined as an investment invested in the form of current assets or short-term assets, such as cash or cash equivalents, securities, receivables, inventories, and other current assets. Working capital should be available in sufficient quantities so that the company can operate properly. So it can be said that working capital is an important financial analysis tool to find out how a company manages or uses the company's working capital. The calculation of working capital by subtracting current assets with current liabilities or calculated by:

Formula: Working capital = current assets-current liabilities

Table 7. Working capital Period 2016 – 2020

Year	Current asset	Current liabilities	Working capital
2016	2,112,986,995,642	1,779,882,978,579	333.104.017.063
2017	1,599,868,616,630	2,197,853,435,455	(597,984,818,825)
2018	1,709,756,353,536	2,011,780,770,795	(302,024,417,259)
2019	2,780,774,348,912	2,013,315,311,896	767,459,037,016
2020	5,717,823,427,545	3,484,200,648,409	2,233,622,779,136

From the data above it can be seen that in 2016 the company's working capital has increased, this is due to an increase in the company's current assets and current liabilities have decreased. In 2017 and 2018 the working capital generated decreased due to the lower level of current assets compared to the increase in the company's current liabilities. In 2019 working capital has increased because the increase in current assets is higher than the increase in the company's current liabilities. Then in 2020 the company's working capital has increased because the increase in current assets is higher than the company's current liabilities. The current ratio or current ratio is a ratio that measures a company's ability to pay short-term obligations. In a broad sense, how much current assets are owned to cover short-term liabilities that will mature. The current ratio can be said as a ratio to measure the level of company security. The calculation of the current ratio by comparing the total current assets with total current liabilities.

Formula: $\text{Current ratio} = \frac{\text{Current Asset}}{\text{Current Liabilities}} \times 100\%$

Table 8. Current ratio Period 2016 – 2020

Year	Current asset	Current liabilities	Current Ratio
2016	2,112,986,995,642	1,779,882,978,579	119%
2017	1,599,868,616,630	2,197,853,435,455	73%
2018	1,709,756,353,536	2,011,780,770,795	85%
2019	2,780,774,348,912	2,013,315,311,896	138%
2020	5,717,823,427,545	3,484,200,648,409	164%

From the data above it can be seen that the current ratio at PT. Perkebunan Nusantara III (Persero) Medan in 2016 was 119% and in 2017 it decreased by 73%. In 2018 it increased to 85%. However, in 2019 the current ratio increased by 138% and in 2020 the current ratio increased to 164%. The cash ratio or cash ratio is the ratio used to measure how much cash or cash equivalents are available to pay a company's debts. This ratio can be said to show the company's ability to pay its short-term debts. The calculation of the cash ratio by comparing cash or cash equivalents with current liabilities.

Formula: $\text{Cash ratio} = \frac{\text{Cash}}{\text{Current Liabilities}} \times 100\%$

Table 9. Cash ratio Period 2016 – 2020

Year	Cash or cash equivalent	Current liabilities	Cash Ratio
2016	1,454,138,126,456	1,779,882,978,579	82%
2017	1,172,308,853,516	2,197,853,435,455	53%
2018	827,081,535,887	2,011,780,770,795	41%
2019	645,764,362,616	2,013,315,311,896	32%
2020	938,198,472,534	3,484,200,648,409	27%

From the data above it can be seen that the cash ratio at PT. Perkebunan Nusantara III (Persero) Medan in 2016 was 82% and in 2015 it decreased by 53%. In 2018 there was also a decrease of 41%. In 2019 it decreased by 32% and in 2020 it decreased by 27%. The debt ratio is the debt ratio used to measure how much a company's assets are financed with debt or in other words how much a company's debt affects asset management. The calculation of the debt ratio by comparing the total debt with total assets.

Formula: Debt ratio $=\frac{\text{Total Debt}}{\text{Total Asset}}$ x100%

Table 10. Debt ratio Period 2016 – 2020

Year	Total Amoun of debt	Total assets	Debt ratio
2016	5,187,277,307,525	11,036,470,895,352	47%
2017	6,359,462,626,086	24,892,186,462,265	26%
2018	7,907,765,136,030	44,744,557,309,434	18%
2019	8,140,460,149,392	45,974,830,227,723	18%
2020	11,230,196,506,592	49,700,439,661,061	23%

From the data above, it can be seen that the debt ratio in 2016 was 47%. In 2017 the debt ratio decreased by 26%. In 2018 the debt ratio decreased by 18%. In 2019 the debt ratio remained the same as the previous year at 18%. Meanwhile, in 2020 the debt ratio will increase by 23%. Total asset turnover is the ratio used to measure the turnover of all assets owned by the company and to measure how many sales are obtained from each rupiah of assets. The calculation of total asset turnover by comparing sales with total assets.

Formula : Total asset turnover$=\frac{\text{Sales}}{\text{Total Asset}}$ x100%

Table 11. Total asset turnover Period 2016 – 2020

Year	Sale	Total assets	Total asset turnover
2016	5,708,476,623,601	11,036,470,895,352	52%
2017	6,232,179,227,727	24,892,186,462,265	25%
2018	5,363,366,034,203	44,744,557,309,434	12%
2019	5,847,818,785,012	45,974,830,227,723	13%
2020	6,002,370,863,637	49,700,439,661,061	12%

From the data above it can be seen that the total asset turnover in 2016 was 52%. In 2017 it decreased by 25%. In 2018 it also decreased by 12%. In 2019 it was 13% and in 2020 it was 12%. Profit margin is one of the ratios used to measure profit margin on sales. The calculation of this ratio by comparing net income with sales.

Formula :Profit margin$=\frac{\text{Profit}}{\text{Sales}}$ x100%

Table 12. Profit margin Period 2016 – 2020

Year	Net profit	Sale	Profit Margins
2016	396,777,055,383	5,706,476,623,601	7%
2017	446,994,367,342	6,232,179,227,727	7%
2018	596,372,459,810	5,363,366,034,203	11%

2019	911,999,643,578	5,847,818,785,012	16%
2020	1,229,464,174,674	6,002,370,863,637	20%

From the data above it can be seen that the profit margin changes every year. In 2016 it was 7%. In 2017 it was still the same as the previous year at 7%. In 2018 it was 11%. In 2019 there was an increase of 16%. Whereas in 2020 it has increased by 20%. Gross profit margin is a comparison between the gross profit earned by the company and the level of sales that have been achieved in the same period.

Formula :Gross profit marginn $= \frac{\text{Gross Profit}}{\text{Sales}}$ x100%

Table 13. Gross profit margin period 2016 – 2020

Year	Gross profit	Net sales	Gross Profit Margins
2016	1,861,441,850,559	5,706,476,623,601	33%
2017	2,246,948,497,504	6,232,179,227,727	36%
2018	1,800,533,828,422	5,363,366,034,203	34%
2019	2,425,893,949,572	5,847,818,785,012	41%
2020	3,280,131,301,022	6,002,370,863,637	55%

From the data above it can be seen that the gross profit margin changes every year. In 2016 it was 33%. In 2017 the increase was 36%. In 2018 there was an increase of 34%. In 2019 there was an increase of 41%. Whereas in 2020 it has increased by 55%.

DISCUSSION

Working Capital

From the analysis that has been carried out by the author of the company's financial calculations using the concept of working capital. It can be seen that the company's working capital has fluctuated from 2016 to 2020. In 2016 the working capital of PT. Perkebunan Nusantara III (Persero) amounted to 333,104,017,063 this was due to an increase in the company's current assets while current liabilities decreased. In 2017 working capital decreased by -597,984,818,825 this was due to the large increase in current liabilities compared to current assets. In 2018 working capital also decreased by -302,024,417,259 this was due to the large amount of current debt compared to the amount of current assets. In 2019 working capital increased by 767,459,037. 016 this is due to the increasing amount of current assets compared to current liabilities. In 2020 working capital has increased by 2,233,622,779,136, this is due to an increase in current assets compared to current liabilities.

Current Ratio

Current ratio value at PT. Perkebunan Nusantara III (Persero) Medan experienced a decline in 2016 – 2020, from 119% in 2016 to 73% in 2017. Which means every IDR 1.00 of current debt is guaranteed to be returned with current assets of IDR 1.19 in in 2016 whereas in 2017 every IDR 1.00 of current debt is guaranteed to be returned with current assets of 0.73. This shows a decrease in the current ratio of 0.46% due to a decrease in current assets, namely

2,112,986,995,642 in 2016 to 1,599,868,616,630 in 2017, and caused by an increase in current liabilities, namely in 2016 of 1,779,882,978 .579 to 2,197,853,435,455 in 2014. In 2017 - 2018 the current ratio value has increased from 73% in 2017 to 85% in 2018. Which means that every IDR 1.00 of current debt is guaranteed to be returned with current assets of IDR 0.73 in 2017 whereas in 2018 every IDR 1.00 of current debt is guaranteed to be returned with current assets of IDR 0.85. This shows an increase in the current ratio of 0.12 due to an increase in current assets, namely 1,599,868,616,630 in 2017 to 1,709,756,353,536 in 2018, and due to a decrease in current liabilities, namely 2,197,853,435,455 in 2017 to 2,011. 780,770,795 in 2018. The decline experienced by the current ratio in 2016 - 2018 is still below the industry standard of 200% so the company is still said to be not performing well. In 2018 - 2019 the value of the current ratio has increased from 85% to 138%. Which means every Rp. 1, 00 current debts are guaranteed to be returned with current assets of IDR 0.85 in 2018 whereas in 2019 every IDR 1.00 of current debts are guaranteed to be returned with current assets of IDR 1.38. This indicates an increase in the current ratio of 0.53% due to an increase in current assets, namely 1,709,756,353,536 in 2018 to 2,780,774,348,912 in 2019, and due to a decrease in current liabilities, namely 2,011,780,770,785 in 2018 to 2,013,315,311,896 in 2019. In 2019 - 2020 the value of the current ratio has increased from 138% to 164%. Which means that every Rp. 1.00 of current debt is guaranteed to be returned with current assets of Rp. 1.38 in 2019, while in 2020 every Rp. 1.00 of current debt is guaranteed to be returned with current assets of 1.64.

Cash Ratio

The cash ratio value at PT. Perkebunan Nusantara III (Persero) Medan in 2016 - 2017 decreased by 82% to 53%, which means that every Rp. 1.00 of current debt is guaranteed to be returned in cash of Rp. 0.82 in 2016 while in 2017, every IDR 1.00 of current debt is guaranteed to be returned in cash of IDR 0.53. This indicates a decrease in the cash ratio of 0.29% due to cash or cash equivalents in 2017, which was 1,172,308,853,516, which was smaller than current liabilities, which was 2,197,853,435,455. The value of the cash ratio in 2017 - 2018 has decreased by 53% to 41%, which means that every Rp. 1.00 of current debt is guaranteed to be returned in cash by 0.53% in 2017 while in 2018 that is every Rp. 1, 00 current debt guaranteed return with cash of 0.41%. This indicates a decrease in the cash ratio of 0.12% due to cash or cash equivalents in 2018 of 827,764,362,616 which is smaller than current liabilities, namely 2,011,780,770,795. The value of the cash ratio in 2018 - 2019 has decreased by 41% to 32%, which means that every IDR 1.00 of current debt is guaranteed to be returned in cash by 0.41% in 2018 whereas in 2019 that is every IDR 1.00 current debt is guaranteed to be returned with cash of 0.32%. This indicates a decrease in the cash ratio of 0.9% due to cash or cash equivalents in 2019 of 645,764,362,616 which is smaller than current liabilities, namely 2,013,315,311,896. 12% caused by cash or cash equivalents in 2018 amounting to 827,764,362,616 which is smaller than current liabilities, namely 2,011,780,770,795. The value of the cash ratio in 2018 - 2019 has decreased by 41% to 32%, which means that every IDR 1.00 of current debt is guaranteed to be returned in cash by 0.41% in 2018 whereas in 2019 that is every IDR 1.00 current debt is guaranteed to be returned with cash of 0.32%. This indicates a decrease in the cash ratio of 0.9% due to cash or cash equivalents in 2019 of 645,764,362,616 which is smaller than current liabilities, namely 2,013,315,311,896. 12% caused by cash or cash equivalents in 2018 amounting to 827,764,362,616 which is smaller than current liabilities, namely

2,011,780,770,795. The value of the cash ratio in 2018 - 2019 has decreased by 41% to 32%, which means that every IDR 1.00 of current debt is guaranteed to be returned in cash by 0.41% in 2018 whereas in 2019 that is every IDR 1.00 current debt is guaranteed to be returned with cash of 0.32%. This indicates a decrease in the cash ratio of 0.9% due to cash or cash equivalents in 2019 of 645,764,362,616 which is smaller than current liabilities, namely 2,013,315,311,896. The value of the cash ratio in 2018 - 2019 has decreased by 41% to 32%, which means that every IDR 1.00 of current debt is guaranteed to be returned in cash by 0.41% in 2018 whereas in 2019 that is every IDR 1.00 current debt is guaranteed to be returned with cash of 0.32%.

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The value of the cash ratio in 2019 - 2020 has decreased by 32% to 27%, which means that every IDR 1.00 of current debt is guaranteed to be returned in cash by 0.32% in 2019 while in 2020 that is every IDR 1.00 current debt is guaranteed to be returned with cash of 0.27%. This shows a decrease in the cash ratio of 0.5% due to cash or cash equivalents in 2020 of 938,198,427,534 which is smaller than current liabilities, namely 3,484,200,648,409. The decline experienced by the cash ratio in 2016 - 2017 was still above the industry standard of 50% so that the company could still be said to be good. Whereas in 2018 - 2020 the cash ratio value has decreased which is below the industry standard of 50% so the company is still said to be not doing well.

Debt Ratio

The debt ratio value at PT. Perkebunan Nusantara III (Persero) Medan in 2016 - 2017 experienced a decrease of 47% to 26%, which means that for every Rp. 1.00 of company funding, Rp. 0.47 is financed with debt and Rp. 0.53 is provided by shareholders. Whereas in 2017, for every IDR 1.00 of company funding, IDR 0.26 is financed with debt and IDR 0.74 is provided by shareholders. This indicates a decrease in the debt ratio of 0.21%. In 2017 - 2018 the value of the debt ratio has decreased again, namely 26% to 18%, which means that for every IDR 1.00 of company funding, IDR 0.26 is financed with debt and IDR 0.74 is provided by shareholders. Whereas in 2018, for every IDR 1.00 of company funding, IDR 0.18 is financed with debt and IDR 0.82 is provided by shareholders. The decrease in the debt ratio in 2017 - 2018 was still below the industry standard of 35%, so the company was said to be not performing well. The decrease in the value of the debt ratio was due to the increase in total debt in 2017, total assets from 24,892,186,462,265 increased to 44,744,557,309,434 in 2018. The value of the debt ratio in 2018 - 2019 has increased from 18% to 18 % which means that every Rp. 1.00 of company funding, Rp. 0.18 is financed with debt and Rp. 0.82 is provided by shareholders. Whereas in 2019, for every IDR 1.00 of company funding, IDR 0.18 is financed with debt and IDR 0.82 is provided by shareholders. In 2019 - 2020 the value of the debt ratio has increased from 18% to 23%, which means that every Rp. 1.00 of company funding, Rp. 0.000,- 18 financed with debt and Rp.0.82 provided by shareholders. Whereas in 2020, for every IDR 1.00

of company funding, IDR 0.23 is financed with debt and IDR 0.77 is provided by shareholders. This indicates an increase in the debt ratio of 0.5%. The increase in the debt ratio in 2019 – 2020 is the same as the increase that occurred in 2016 – 2017. The value of the debt ratio in 2019 – 2020 has increased which is not too significant but the values for both are similar. With an increase in the debt ratio, this indicates that there has been an increase in the use of debt for the company's operational activities. This indicates an increase in the debt ratio of 0.5%. The increase in the debt ratio in 2019 – 2020 is the same as the increase that occurred in 2016 – 2017. The value of the debt ratio in 2019 – 2020 has increased which is not too significant but the values for both are similar. With an increase in the debt ratio, this indicates that there has been an increase in the use of debt for the company's operational activities. This indicates an increase in the debt ratio of 0.5%.

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Total Asset Turnover

TATO value at PT. Perkebunan Nusantara III (Persero) Medan continues to experience a decline from 2016 to 2018, namely 0.52 to 0.25 in 2017. Which means that the funds embedded in all assets in 2016 rotated 0.52 times, in 2017 it decreased by 0.27 to 0.25 times. In 2017, it was 0.25 to 0.12 in 2018. Which means that the funds embedded in all assets in 2017 rotated 0.25 times, in 2018, which decreased by 0.13 to 0.12 times. In 2018, it was 0.12 to 0.13 in 2019. Which means that the funds embedded in all assets in 2015 rotated 0.12 times, in 2019 it increased by 0.01 to 0.13 times. In 2019, it was 0.13 to 0.12 in 2020. Which means that the funds embedded in all assets in 2019 rotated 0.13 times, in 2020, which decreased by 0.01 to 0.01 to 0.12 times. The decline and increase that occurred from 2016 to 2020 is still below the industry standard, namely 2 times, so the company can be said to be not doing well. This decrease in the value of TATO shows the company's ineffectiveness in utilizing its assets to generate income.

Profit Margin

Profit margin value at PT. Perkebunan Nusantara III (Persero) Medan 2016 – 2020 has experienced an increase. In 2016 – 2017, from 7% to 7%. In 2017 – 2018 from 7% to 11%. In 2018 – 2019 from 11% to 16%. And in 2019 – 2020 from 16% to 20%. The increase in profit margin from 2016 to 2020 is not very significant and is still below the industry standard of 30%, so the company is still said to be not doing well.

Gross Profit Margin

The gross profit margin value at PT. Perkebunan Nusantara III (Persero) Medan from 2018 to 2020 continues to increase. In 2016 – 2017, from 33% to 36%. In 2017 - 2018 from 36% to 34%. In 2018 – 2019 from 34% to 41%. And in 2019 – 2020 from 41% to 55%.

CONCLUSION

PT. Perkebunan Nusantara III (Persero) Medan can be seen from the existing working capital that it is considered good. Because every year it has increased. It can be said that PT. Perkebunan Nusantara III (Persero) Medan can maximize the level of profit acquisition because working capital has been fulfilled. PT. Perkebunan Nusantara III (Persero) Medan in terms of financial ratios, it can be considered unfavorable when viewed from the liquidity ratio, namely the current ratio and cash ratio, which have decreased. This can be said if PT. Perkebunan Nusantara III (Persero) Medan has not been able to fulfill its short term obligations. PT. Perkebunan Nusantara III (Persero) Medan seen from the financial ratios, it can be considered not good when viewed from the solvency ratio, namely the debt ratio which has increased. It can be said that the larger the company is financed by debt. PT. Perkebunan Nusantara III (Persero) Medan seen from financial ratios, it can be considered unfavorable when viewed from the activity ratio, namely total asset turnover which has decreased. It can be said that the company has not been able to maximize its assets. PT. Perkebunan Nusantara III (Persero) Medan seen from financial ratios, it can be considered good when viewed from the profitability ratio, namely the profit margin and gross profit margin which have increased. It can be said that PT. Perkebunan Nusantara III (Persero) Medan is getting better with the company in carrying out its operations. The factors causing the decrease in the ratio are the increase in the amount of debt, the ineffective use of equity and large assets, the decrease in profits and cash of the company.

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