

Efficiency of PT Kalbe Farma's Financial Performance in Driving Digital Transformation for Business Growth

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Abstract

The purpose of this study is to understand the financial operations of PT Kalbe Farma Tbk. by analyzing financial data using ratios of liquidity, solvency, and rentability. Data being analyzed is the financial statements for business finances covering Balance sheet, Profit/ Loss, and Cash flow PT Kalbe Farma Tbk. from 2020 to 2022. In this quantitative study, data from PT Kalbe Farma Tbk's financial transactions were analyzed using information from Bursa Efek Indonesia. The financial data being provided is a timeline covering the years 2020 through 2022. The current data analysis employs the ratios of liquidity, solvability, and rentability.

Keywords: Financial Performance, Financial Ratios

1. Introduction

Financial performance of a corporation can show good growth, prospects, future, and possibility for development inside a company. A evaluation of the modifications required to advance a company's economic resources would undoubtedly require information on financial performance from the past or present in the future (Barlian in Nurati, et al. 2019: 108). If a corporation has good financial health as well, it might be said to be performing well. One of the factors used by the investor community to decide which business to buy shares in is a company's performance, particularly in the financial sector. The company's financial information must consistently demonstrate sound and positive financial performance to shareholders. Shareholders won't have to worry if the company ever declares bankruptcy because it will be evident from the financial data supplied how the company's financial situation is.

One of the key requirements for managers is to run the organization with proper planning. A manager must be able to develop financial plans that are accurate given the company's history. Ratio analysis, according to Setyani (in Nurati, et al. 2019: 108), is a method of developing sound financial planning and control. Financial ratios can be used to determine a company's financial health or the financial success of a certain time period.

The corporation releases a company report on a regular basis, which is distributed to parties who invest in shares and company owners, such as creditors, the government, and the management itself. The purpose of a company's financial statements is to notify interested parties of the company's financial position, financial performance, and cash flows during a specific time period.

It is anticipated that the information in a financial report would aid interested parties in making decisions. Also, an overview of a company's performance standards compliance or lack thereof can be obtained from the financial report information. Financial analysis is used to determine the company's financial performance.

Ratio analysis can be used to determine if a financial situation is favorable or unfavorable. Analysis of financial ratios is used to assess a company's financial performance. The company's financial statements going back at least two years are used to examine the finances.

2. Theoretic Review

2.1 Financial Performance

Financial performance is a type of financial analysis that is employed to accurately assess and gauge a company's financial development. Sucipto (in Nurati et al. 2019: 109) defined financial performance as the success of a corporation in achieving profits that are measured

through specific measurements that serve as a standard for a company's success.

Companies must gauge their financial performance if they want to effectively compete other businesses in the same industry. A corporation may do financial performance analysis over a predetermined time period as one of the procedures for measuring important financial data that belongs to the company.

According to Munawir's book (Nurati, et al. 2019: 109), financial performance measurement aims to achieve the following:

- a) To calculate the amount of profitability
- b) To understand the stability
- c) To understand the liquidity
- d) To understand the solvency

2.2 Financial Report

Harahap stated that a currency symbol is a representation of a certain currency position held by a company (Nurati, dkk. 2019: 109). Gitman (in Nurati, et al. 2019: 109) asserts that a particular financial line of credit that a company has to be disclosed to the organization in charge of handling securities during the current running calendar year. The Indonesian Institute of Accountants states that the purpose of the monetary system is to provide information on the financial standing of businesses, employment, and the monetary system of a particular business that is useful to institutions that are keen on keeping up with economic developments (Nurati, et al. 2019: 109).

2.3 Analysis of Financial Ratios

One business will analyze its financial situation in a variety of ways, with ratio analysis being the most common. Sofyan Syafri H. states that the relationship between one report of the financial system and another that has a meaningful and relevant relationship is what gives rise to the currency rate (Nurati, et al. 2019: 110).

The three types of financial ratios are as follows:

- a) Liquidity Ratio
Financial ratios are used to assess a company's capacity to service its short-term debt obligations. The current ratio, quick ratio, and cash ratio make up the liquidity ratio (Slow Ratio).
- b) Solvency Ratio
Is the ratio used to determine how much capital a company's owner has in relation to the liabilities credited by a bank or guarantor. The Debt to Total Asset Ratio and the Debt to Equity Ratio make up the solvency ratio.
- c) Profitability Ratio (Profitability)
This ratio gauges a company's capacity for generating profits. The five profitability ratios are operating, return on equity, net profit margin, return on assets, and operating.

3. Research Method

3.1 Research Material

The financial performance of a pharmaceutical firm, Kalbe Farma, Tbk, which is listed on the Indonesia Stock Exchange, will be examined using financial ratios as the study object. Liquidity ratios, solvency ratios, and profitability ratios for the 2020–2022 period are those that are used to examine financial ratios.

3.2 Research Unit

According to the problem being studied, the financial performance of a pharmaceutical firm, which is based on the yearly financial reports of PT Kalbe Farma, Tbk for the 2020–2022 period, the author's research unit has been chosen.

3.3 Data Types

The authors of this study used both quantitative and qualitative data. Quantitative data includes information in the form of numbers that express the quantity of something, such as the balance sheet and income statement seen in a company's financial statements. Whereas

information that is not shown in numerical form, such as information about the company's founding and the industry it operates in, is referred to as qualitative data.

3.4 Data Collection Methods

The following data collection methods were employed:

- a) Field Work Research, which involved gathering information through research carried out in businesses that served as research subjects, including the retrieval of financial data (balance sheet and profit and loss statements) from information from the Indonesian Stock Exchange.
- b) Library research, which entails gathering information by conducting research in the library and looking for books or other research related materials.
- c)

3.5 Data Analysis Methods

The author employs financial ratios such as liquidity, solvency, and profitability as well as data analysis methodologies.

a) Liquidity Ratio

It is a ratio used to assess a business' capacity to service its immediate financial obligations. The following three methods are used to calculate the liquidity ratio:

➤ Current Ratio

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}} \times 100\%$$

➤ Quick Ratio

$$\text{Quick Ratio} = \frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}} \times 100\%$$

➤ Cash Ratio

$$\text{Cash Ratio} = \frac{\text{Cash} + \text{Cash Equivalence}}{\text{Current liabilities}} \times 100\%$$

b) Solvency Ratio

Is the metric used to determine how much capital the owner has contributed compared to how much has been borrowed from the company's creditors. The following three methods are used to calculate the solvency ratio:

➤ Debt to Total Asset Ratio

$$\text{DAR} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

➤ Debt to Total Asset Ratio

$$\text{DER} = \frac{\text{Total Debt}}{\text{Equity}} \times 100\%$$

c) Profitability Ratio

The ratio used to assess a business capacity for profit is also known as the profitability ratio. To make a comparison between profits and the capital that produces these profits, employ the profitability ratio. The following three methods are used to calculate the profitability ratio:

➤ Return on Asset

$$\text{ROA} = \frac{\text{EBIT}}{\text{Total Assets}} \times 100\%$$

➤ Return on Equity

$$\text{ROE} = \frac{\text{Net Profit After Tax}}{\text{Equity}} \times 100\%$$

➤ Gross Profit Margin

$$GPM = \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100\%$$

➤ Net Profit Margin

$$NPM = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100\%$$

➤ Operating Profit Margin

$$OPM = \frac{\text{Operating Profit}}{\text{Net Sales}} \times 100\%$$

4. Results

In this presentation, the authors use financial ratio analysis, such as ratios of liquidity, solvency, and profitability, to examine the financial information of PT Kalbe Farma TBK.

1) Liquidity Ratio

a. Current Ratio

The following table displays the results of the Current Ratio calculation.

Table 1 shows PT Kalbe Farma Tbk's Current Ratio for its 2020-2022

Year	Current Asset	Current Debt	CR	Standard	Criteria
2020	13.075.331.880.715	3.176.726.211.674	411,60%	>100%	Liquid
2021	15.712.209.507.638	3.534.656.089.431	444,52%	>100%	Liquid
2022	16.149.431.090.789	4.253.260.300.565	379,7%	>100%	Liquid

Source: Data processed 2020-2022

b. Quick Ratio

The following table displays the result of the Quick Ratio calculation.

Table 2 shows PT Kalbe Farma Tbk's Quick Ratio for its 2020-2022

Year	Current Asset	Supply	Current Debt	QR	Standard	Criteria
2020	13.075.331.880.715	3.599.745.931	3.176.726.211.674	298,28%	>100%	Liquid
2021	15.712.209.507.638	5.087.299.647.536	3.534.656.089.431	300,59%	>100%	Liquid
2022	16.149.431.090.789	6.641.198.439.862	4.253.260.300.565	223,5%	>100%	Liquid

Source: Data processed 2020-2022

c. Cash Ratio

The following table displays the result of the Cash Ratio calculation.

Table 3 shows PT Kalbe Farma Tbk's Cash Ratio for its 2020-2022

Year	Cash + Cash Equivalents	Current Debt	Cash Ratio	Standard	Criteria
2020	5.207.929.420.504	3.176.726.211.674	163,94%	>100%	Liquid
2021	6.216.247.801.928	3.534.656.089.431	175,86%	>100%	Liquid
2022	4.143.904.426.797	4.253.260.300.565	97,4%	>100%	Liquid

Source: Data processed 2020-2022

2) Solvability Ratio

a. Debt to Total Asset Ratio

The following table displays the result of the Debt to Total Asset Ratio calculation.

Table 4 shows PT Kalbe Farma Tbk's Debt to Total Asset Ratio for its 2020-2022

Year	Total Debt	Total Assets	DAR	Standard	Criteria
2020	4.288.218.173.294	22.564.300.317.374	19%	<35%	Solvabel
2021	4.400.757.363.148	25.666.635.156.271	17,15%	<35%	Solvabel
2022	5.038.334.235.923	26.187.153.770.787	19,24%	<35%	Solvabel

Source: Data processed 2020-2022

b. Debt to Equity

The following table displays the result of the Debt to Equity Ratio calculation.

Table 5 shows PT Kalbe Farma Tbk's Debt to Equity Ratio for its 2020-2022

Year	Total Debt	Total Assets	DER	Standard	Criteria
2020	4.288.218.173.294	22.564.300.317.374	19%	<80%	Solvabel
2021	4.400.757.363.148	25.666.635.156.271	17,15%	<80%	Solvabel
2022	5.038.334.235.923	26.187.153.770.787	19,24%	<80%	Solvabel

Source: Data processed 2020-2022

3) Profitability Ratio

a. Return on Asset

The following table displays the result of the Return on Asset calculation.

Table 6 shows PT Kalbe Farma Tbk's Return on Asset for its 2020-2022

Year	EBIT	Total Asset	ROA	Standard	Criteria
2020	3.627.632.574.744	22.564.300.317.374	16,08%	<30%	Efficient
2021	4.143.264.634.774	25.666.635.156.271	16,14%	<30%	Efficient
2022	3.236.445.728.996	26.187.153.770.787	12,36%	<30%	Efficient

Source: Data processed 2020-2022

b. Return on Equity

The following table displays the result of the Return on Equity calculation.

Table 7 shows PT Kalbe Farma Tbk's Return on Equity for its 2020-2022

Year	Net Profit After Tax	Equity	ROE	Standard	Criteria
2020	2.799.622.515.814	18.276.082.144.080	15,32%	<40%	Efficient
2021	3.232.007.683.281	21.265.877.793.123	15,20%	<40%	Efficient
2022	2.534.215.347.547	21.148.819.534.864	11,98%	<40%	Efficient

Source: Data processed 2020-2022

c. Gross Profit Margin

The following table displays the result of the Gross Profit Margin calculation.

Table 8 shows PT Kalbe Farma Tbk's Gross Profit Margin for its 2020-2022

Year	Gross Profit	Net Sales	GPM	Standard	Criteria
2020	10.246.322.493.771	23.112.654.991.224	44,33%	>30%	Efficient
2021	11.283.784.241.264	26.261.194.512.313	42,97%	>30%	Efficient
2022	8.734.557.664.381	21.181.770.632.315	41,24%	>30%	Efficient

Source: Data procesed 2020-2022

d. Net Profit Margin

The following table displays the result of the Net Profit Margin calculation.

Table 9 shows PT Kalbe Farma Tbk's Net Profit Margin for its 2020-2022

Year	Net Profit	Net Sales	NPM	Standard	Criteria
2020	2.799.622.515.814	23.112.654.991.224	12,11%	<20%	Efficient
2021	3.232.007.683.281	26.261.194.512.313	12,31%	<20%	Efficient
2022	2.534.215.347.547	21.181.770.632.315	11,96%	<20%	Efficient

Source: Data procesed 2020-2022

e. Operating Profit Margin

The following table displays the result of the Operating Profit Margin calculation.

Table 10 shows PT Kalbe Farma Tbk's Operating Profit Margin for its 2020-2022

Year	Operating Profit	Net Sales	OPM	Standard	Criteria
2020	3.627.632.574.744	23.112.654.991.224	15,69%	<20%	Efficient
2021	4.143.264.634.774	26.261.194.512.313	15,78%	<20%	Efficient
2022	3.236.445.728.996	21.181.770.632.315	15,28%	<20%	Efficient

Source: Data procesed 2020-2022

5. Discussion

Therefore, the study of the aforementioned data shows that the liquidity ratio is liquid because it has current ratio values more than 100%, quick ratio values greater than 100%, and cash ratio values greater than 100%.

Given that the debt to asset value and the debt to equity ratios are both below 100%, the Solvency Ratio is in a solvable condition.

Because the profitability/profitability ratio has a value of return on assets 30%, return on equity 40%, gross profit margin >30%, net profit margin 20%, and operational profit margin 20%, it is in an efficient state.

6. Conclusion

Based on a study of financial data from PT Kalbe Farma Tbk. The following findings are reached between 2020 until 2022:

- a) PT Kalbe Farma Tbk's liquidity ratio is item has a current ratio value greater than 100%, a quick ratio value greater than 100%, and a cash ratio value greater than 100%, indicating that it is in a liquid state.
- b) Solvency Ratio, which has a debt to asset value of 35% and a debt to equity ratio of 80%, is in a solvable situation.
- c) The profitability ratio has a value of return on assets 30%, return on equity 40%, gross profit margin >30%, net profit margin 20%, and operational profit margin 20%, indicating that it is in an efficient state.

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