

Comparative Analysis of Profitability Before and After The Covid 19 Pandemic at PT. Kimia Farma Tbk.

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ABSTRACT

This study uses a comparative descriptive research method which aims to determine differences in the profitability ratios of Return On Assets (ROA) and Return On Equity before and after the Covid-19 pandemic at a pharmaceutical company, namely PT. Kimia Farma Tbk. PT. Kimia Farma Tbk. obtained by accessing the official website of the Indonesia Stock Exchange, namely www.idx.co.id. Based on the results of the analysis carried out, it can be concluded that the Covid 19 pandemic had an impact on the health of PT. Kimia Farma Tbk, which is based on the ROA value obtained in 2018 before the pandemic the company was in Very Healthy condition, during the 2019 and 2020 pandemic the company was in Unhealthy condition, in 2021 the company was in Healthy condition, and in 2022 the company will return to Unhealthy conditions. Meanwhile, based on the ROE value obtained in 2018 PT. Kimia Farma Tbk. in a Healthy condition, during the 2019 – 2020 pandemic and it will still have an impact in 2021 the company is in an Unsound condition, and will experience a decline where in 2022 the company's condition is categorized as Unsound.

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1. INTRODUCTION

Corona Virus Disease 2019 (Covid-19) first appeared in the city of Wuhan, China in November 2019. And in Indonesia itself Covid-19 appeared in early 2020 to be precise in the city of Depok. Covid-19 has had a huge impact on the world community, and Indonesia is no exception. Due to this outbreak, there was a decrease in activity in various sectors. Covid-19 has had a major impact on people's lives in various fields of life, both in the social, economic and health fields. One of the most affected, especially in the health sector. The effect of the Covid-19 pandemic in the health sector is that the level of health has decreased because many have been exposed to Covid-19 to the point of causing death and many people are stressed out because they are worried and afraid of contracting the corona virus, which makes the immune system decrease.

One of the efforts made by the government to reduce the spread of the Covid-19 virus is by imposing social distancing or physical distancing rules. With the application of these rules, it automatically paralyzes activities in all fields, especially in the economic field due to restrictions on the speed of operations of companies which ultimately reduces the productivity of companies. In the study of economic theory, tightening and limiting community activities will have an impact on the shrinking of the Aggregate Supply (AS) in the economy which has an impact on decreasing the

amount of production or quantity (Q). The situation where people are only at home, based on the law of supply and demand, will gradually lead to a decrease in Aggregate Demand (AD) which will lead to a decreasing amount of production.

This chain process of depreciation of the economy will not only cause shocks to real economic fundamentals, but also disrupt the smooth functioning of the market mechanism between supply and demand so that it can run normally and in balance. Considering that the vital aspects of the economy, namely supply, demand and supply-chain have been disrupted, the impact of the crisis will be felt equally at all levels or levels of society. (Hafizah, 2020)

However, the depreciation of production due to reduced market demand does not apply to pharmaceutical companies. As we know, companies in the pharmaceutical sector are companies that focus on health services in the form of supplying drugs, developing science and technology for drug manufacturing, to supplying and developing medical devices. Therefore, when a country is hit by a pandemic outbreak, the pharmaceutical sector has an important role to play in helping the country deal with the pandemic that has occurred. In addition, profits generated by pharmaceutical companies have increased more than companies in other sectors, this is due to the high demand for drugs and medical devices in the market. Based on this phenomenon, the authors are interested in conducting research by comparing companies' financial performance using profitability ratio analysis both before the pandemic and during the Covid-19 pandemic. The author will focus on PT. Kimia FarmaTbk as one of the largest pharmaceutical companies in Indonesia.

2. RESEARCH METHOD

In this study, the type of research used is a comparative type using a quantitative approach. Sugiyono (2017) "Provided that comparative research is research that compares the presence of one or more variables in two different samples or at different times."

The analytical tool used in this study is the profitability ratio is "the ratio used to find out how much a company's ability to generate profits or profits through its own resources, either from the sale of goods or services, company assets or from equity" (Thian, 2022: 109).

The profitability ratios compared in this study are:

- a. Return On Assets (ROA), is the ratio used to measure how much percentage of net profit can be generated from the assets owned by the company, or how much the contribution of assets is in generating net income (Thian, 2022: 111)
- b. Return On Equity (ROE), is "the ratio used to measure how much percentage of net profit can be generated from the equity owned by the company or how much contribution from equity to create net profit" (Thian, 2022: 111).

3. RESULTS AND DISCUSSIONS

3.1. Profitability Analysis Return on Assets (ROA)

Table 1. Calculation of ROA PT. Kimia FarmaTbk period 2018 – 2021

Tahun	Total Profit (Loss) Before Tax	Total Assets	ROA (%)
2018	755.296.047	11.329.090.864	6,667
2019	38,315,488	18,352,877,132	0,209
2020	73,359,098	17,562,816,674	0,418
2021	392,883,409	17,760,195,040	2,212
2022	49,622,055	20,353,992,893	0,244

Source: data processed from the IDX website

From Table 1 it can be seen that in 2018 the ROA value of PT. Kimia FarmaTbk amounted to 6.667% which means the company is in the Very Healthy category. Then in 2019 the ROA value of PT. Kimia FarmaTbk amounted to 0.209%, this means that the company experienced a very large decrease, namely 6.458%, this caused the company to be included in the Unhealthy criteria. Then in 2020 the ROA value was 0.418 which when compared to the previous year had an increase of 0.209%, but according to the criteria itself the company was still classified as Unsound. Then in 2021 the ROA value is 2.212% which has increased quite sharply from the previous year of 1.794%, so

that in terms of company criteria it is said to be in the Healthy category. But in 2022 the ROA value is 0.244% which has decreased drastically from the previous year with a decrease of 1.968% and this has resulted in PT. Kimia FarmaTbk is again at the Unhealthy category level.

3.2. Profitability Analysis Return on Equity (ROE)

Table 2. Calculation of ROE PT. Kimia FarmaTbk period 2018 – 2021

Tahun	Total Profit (Loss) After Tax	Total Equity	ROE (%)
2018	535.085.322	4.146.258.067	12,905
2019	15,890,439	7,412,926,828	0,214
2020	20.425.757	7,105,672,046	0,287
2021	289.888.789	7,231,872,635	4,008
2022	(109,782,957)	9,339,290,330	-1,175

Source: data processed from the IDX website

Based on the results of the data processing presented in Table 2, it can be seen that in 2018 the ROE value of PT. Kimia FarmaTbk. Amounting to 12.905%, which means the company is in the Healthy category. But in the following year, namely 2019, the company's ROE value was 0.214%, which means that the company experienced a decrease of 12.691% which caused the company to be included in the Unhealthy category. Then in 2020 the company's ROE value was 0.287% which, if you look at it, experienced a slight increase from the previous year of 0.073%, so that in 2020 the company was still in the Unhealthy category. In 2021 the ROE value is 4.008% which means that the company has increased by 3.721%, from this increase in terms of the criteria the company is still in the Unhealthy category. Then in 2022, the company's ROE value is -1.175%, which means that the company has again decreased by 5.183%, in terms of criteria, the company is said to be Unsound.

4. CONCLUSION

Based on the problems and discussion regarding Comparative Analysis of Profitability Before and During the Covid-19 Pandemic at PT. Kimia FarmaTbk., it can be concluded that: From the ROA values obtained from 2018 to 2022, it was concluded that in 2018, namely before the Covid-19 pandemic, PT. Kimia FarmaTbk. are in the Very Healthy category. In 2019 and 2020 where the world experienced the Covid-19 pandemic outbreak, the company experienced a decline so that it was in the Unhealthy category. The following year, namely 2021, where the cases of patients with the virus began to decrease so that the economy has started to stabilize, the company is already in the Healthy category. Then in 2022 the company will again experience a decline which causes it to fall into the Unhealthy category. From the ROE values obtained from 2018 to 2022, it can be seen that before the Covid-19 pandemic, namely 2018, PT. Kimia FarmaTbk. belong to the Healthy category. Then in 2019 and 2020, when the world was experiencing the Covid-19 pandemic, the company experienced a decline in performance which included it in the Unhealthy category. In 2021, when the pandemic begins to wane, the company is still in the Unhealthy category. And in 2022, the company will experience a decline and cause the company's performance to be seen from the ROE value to be in an unhealthy condition.

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