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Profitability Analysis during the covid-19 and post-covid-19 periods at PT. KMI WIRE AND CABLE Tbk

Putri Fauziah^{1*}, Devi Nila Anjani², Safnah³, Hafiza Fitri⁴

^{1,2,3}Departement Accounting, Universitas Muhammadiyah Riau, Indonesia

⁴ Departement Accounting, International Islamic University Malaysia, Malaysia

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ABSTRACT

The purpose of this study was to test company profitability during the covid-19 and post-covid-19 periods at PT KMI Wire and Cable Tbk. This data is obtained from the company's official website which is referenced from the Indonesian stock exchange page. The data was also confirmed through operational employees working at PT KMI Wire and Cable Tbk, for the 2019-2021 period. This type of research is descriptive and the data source used is secondary data. The research results show that the company's profitability experienced a shock during the Covid-19 pandemic, and after that difficult period, the company recovered and grew again. This is shown from the ratio of profitability to company performance in the period 2019 to 2021

1. INTRODUCTION

PT KMI Wire and Cable Tbk was the original name of the company when it was established in 1972. On July 18, 2008, PT GT Kabel Indonesia Tbk officially changed its name to PT KMI Wire and Cable Tbk (KBLI). Currently, KMI Wire and Cable provides high quality power cables directly or through distributor networks to State-Owned Enterprises, private sector, oil and gas industry, mining, etc., as well as exports to various countries. Aluminum and copper power cables used for low-voltage, medium-voltage, high-voltage, and special voltage power cables and more than 2,000 cable types and sizes that KMI will produce by the end of 2021. Year after year, better global economic conditions helped the Indonesian economy get started with a solid platform. Meanwhile, a stable rupiah and declining inflation helped drive stronger private spending expansion. It can be said that the management of company planning has been successful if the company is able to maintain business continuity and can manage its operations effectively so that performance can be maintained and can still be achieved in accordance with the targets that have been set. To control company performance, a company's financial statements must be analyzed and researched properly to ensure the level of profitability (profit), level of risk, or health of company performance. Company leaders must also be seen to maintain the level of financial efficiency of a company that is being run.

Corresponding Author:

*Email: putrifauziah0403@gmail.com

KBLI posted net revenue of Rp 4.5 trillion throughout 2019. This number increased 6.14% from the realization of the previous year's net income of Rp 4.24 trillion. In September 2020, There were several cases faced by PT. KMI Wire and Cable Tbk. The first case, the company suffered a very high loss of Rp. 90.66 billion. Quoting from the financial report published Thursday (19/11), KBLI posted revenue of IDR 1.32 trillion. This realization decreased by 50.55% from the revenue in the same period the previous year which reached Rp 2.68 trillion. And in December 2020, the company suffered a considerable loss of IDR 1.97 trillion from sales of IDR 4.50 trillion in the same period the previous year. In 2021, the company's net revenue was IDR 1.76 trillion throughout 2021. According to the financial report, revenue decreased by - 10.51% compared to 2020 revenue of IDR 1.96 trillion. This is due to the COVID 19 pandemic which caused sales to decline greatly. The similar condition happened at PT. Supreme Cable Manufacturing & Commerce Tbk (SCCO) which is engaged in cable manufacturers. PT Supreme Cable Manufacturing & Commerce Tbk (SCCO) experienced a decline in financial performance throughout 2020. Based on financial statements on the Indonesia Stock Exchange (IDX), SCCO's revenue was recorded at IDR 4.62 trillion in 2020, a decrease of 18.94% compared to the realization of revenue in 2019 of IDR 5.70 trillion. PT Supreme Cable Manufacturing & Commerce Tbk (SCCO) recorded an unsatisfactory performance in the first quarter of 2021. The prolonged pandemic condition made SCCO's business activities still hampered until the beginning of this year. Based on the background above, this study will try to analyze the performance of PT KMI Wire and Cable using profitability ratios. Can these ratios show better company conditions in the 2019-2021 period?

2. RESEARCH METHOD

This research is a descriptive case study using financial data of PT KMI Wire and Cable Tbk in 2019-2021. To dig deeper into the company's condition, documentation analysis is carried out by exploring things that are of concern to be analyzed (Azmi et al., 2019). Data is obtained from the source of the company's website which refers to the Indonesia Stock Exchange (IDX) page. The data is then used as the basis for case analysis based on profitability ratio formulas. The calculation results using the profitability ratio formula are then interpreted to describe the company's condition in the 2019-2021 period.

3. RESULTS

Profitability is an ability that a company has to make a profit. Profitability also serves to explain how all assets owned by the company compare with profits that have not been taxed. Operating profit margin used to measure the percentage of operating profit or net sales. Beberapa Analisa rasio kami lakukan antarlain: gross profit margin, operating profit margin, net profit margin, return on asset, return on equity, dan return on investment (Purba at al., 2023).

Gross Profit Margin

This ratio measures and compares gross profit to net sales in a period. The calculation of gross profit margin at PT KMI Wire and Cable Tbk is as follows:

Tabel 1. Gross profit Margin

Information	2019	2020	2021
Gross Profit	771.922.875.078	87.833.837.923	175.965.194.103
Sales	4.500.555.248.155	1.968.859.464.809	1.761.740.449.027
GPM	0,17	0,44	0,09

the gross profit margin score compared to sales shows a downward trend in 2021. The greater the gross profit margin compared to sales, the higher this ratio score will be. The consequence is the better the gross profit margin.

Operating Profit Margin

This ratio measures and compares profit before interest and tax against sales. The calculation of operating profit margin at PT KMI Wire and Cable Tbk is as follows:

Table 2. Operating Profit Margin

Information	2019	2020	2021
Profit before interest and tax	499.080.077.892	(57.059.161.518)	108.753.123.504
Sales	4.500.555.248.155	1.968.859.464.809	1.761.740.449.027
OPM	0,11	-0,03	0,06

If OPM continues to increase, then the operating profit margin can be considered by the company to have a good pure profit, and if the operating profit margin decreases in the previous period, then the company's management must be careful in maximizing assets in the business period that will be running. Table 2 shows OPM values tend to decrease. Especially in 2020, there was a negative growth which showed that the company was experiencing very significant economic pressure due to the Covid-19 pandemic. Although there has been a decline since 2019, in 2021 after the covid pandemic began to subside, the company's condition is improving.

Net Profit Margin

Used to show the company's ability to generate net profits after tax deductions compared to sales.

Table 3. Net Profit Margin

Information	2019	2020	2021
Profit after tax	394.950.161.188	(73.694.555.905)	93.371.439.103
Sales	4.500.555.248.155	1.968.859.464.809	1.761.740.449.027
NPM	0,09	-0,04	0,05

According to Sulistyono (2017), the number can be said to be good if it is more than 5% or 0.05. The higher the net profit obtained, the company is considered efficient in determining the cost of goods sold.

Return On Asset

This ratio is used to measure the rate of return on a company's assets by looking at profit before tax divided by total assets. The calculation of ROA is as follows:

Table 4. Return on Asset

Information	2019	2020	2021
Profit before tax	499.080.077.892	(57.059.161.518)	108.753.123.504
Asset total	3.556.474.711.037	3.009.724.379.484	2.725.242.711.423
ROA	0,14	-0,019	0,04

Return On Equity

This ratio shows how much equity contributes to creating profits. A good ROE is usually above 15% if it is below 15% meaning that the company is less profitable in generating profits.

Table 5. Return on Equity

Information	2019	2020	2021
EAT	394.950.161.188	(73.694.555.905)	93.371.439.103
Equity	2.382.460.627.722	2.350.166.285.861	2.350.166.285.861
ROE	0,17	-0,03	0,04

According to Sulistyono, the number can be said to be good if it is more than 5% or 0.05. The higher the net profit obtained, the company is considered efficient in determining the cost of goods sold.

Return On Investment

Used to measure the company's ability to generate profits on investments that have been spent. The profit used to measure this ratio is net profit after tax or EAT.

Table 6. Return on Investment

Information	2019	2020	2021
Net profit	394.950.161.188	(73.694.555.905)	93.371.439.103
Asset total	3.556.474.711.037	3.009.724.379.484	2.725.242.711.423
ROI	0,111	-0,024	0,034

4. CONCLUSION

Based on the calculation results from the analysis that has been carried out on the financial statements obtained by PT KMI Wire and Cable Tbk during a period of 3 periods, namely 2019, 2020, 2021 using profitability ratio analysis, it can be concluded that only 2019 experienced stable sales, while in 2020 and 2021 there have been many declines due to cases faced, especially COVID-19. It can be said that the management of company planning has been successful if the company is able to maintain business continuity and can manage its operations effectively so that performance can be maintained and can still be achieved in accordance with the established standards.

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