Comparative Analysis of Financial Performance in Manufacturing Companies Listed on The Indonesian and Malaysian Stock Exchanges in 2023

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Abstract: Financial Performance is a series of financial activities in a certain period which are reported in financial reports including the profit and loss report and balance sheet. The aim of this research is to find out the comparison of the financial performance of manufacturing companies on the Indonesia Stock Exchange (BEI) and the Malaysia Stock Exchange in 2023. The financial ratios used in this research are Return on Assets (ROA), Debt to Equity Ratio (DER), Current Ratio (CR), Total Assets Turnover (TATO), and Price Earnings Rasio (PER). The statistical analysis used in this research is the paired sample t-test and the Wilcoxon signed rank test. The results of previous research show that there is an influence on all the financial ratios studied.

Keyword: Acquisition, Financial Performance, Financial Ratios, Current Ratio (CR) Return on Assets (ROA), Total Assets Turnover (TATO), Debt to Equity Ratio (DER), Price Earnings Rasio (PER)

INTRODUCTION

In the current global economic situation, competition between companies is increasing and every company is required to be able to present itself as the best. At this time, companies are required to continue to be able to compete and achieve their company goals to encourage business growth and strengthen competition in the business world. Therefore, an appropriate company strategy is needed both internally and externally. Companies that have a high level of profitability will increase the company's competitiveness. A high level of profit indicates the company's growth in the future. Company activities show the level of effectiveness that exists in the company. Having a high level of effectiveness shows the company's opportunity for high growth in the future. Internal strategies can be implemented by analyzing the company's financial performance to determine steps to improve and increase efficiency in the next period.The problem formulation contains article questions that must be explained in the discussion and answered in the conclusion.

On the Indonesian Stock Exchange in 2023 there will be approximately 165 manufacturing sector companies. Meanwhile, in Bursa Malaysia Berhad in 2023 there will be approximately 218 manufacturing sector companies.

The following is a comparison of the development of data on the number of companies on the Indonesia Stock Exchange and the Malaysia Berhad Exchange for 2021 - 2023:

From the graph above, it shows that over the last three years (2021-2023), the number of data on manufacturing and non-manufacturing companies on the Indonesia Stock Exchange increased from 2021 to 2022 and experienced a decrease in the number of data on non-manufacturing companies and manufacturing companies from 2022 to 2023.

Based on the graph above, data on the number of companies on the Indonesian Stock Exchange from 2021 to 2022 has increased by 11% for non-manufacturing Indonesian companies and 8% for manufacturing Indonesian companies. However, there will be a decrease from 2022 to 2023 of 13% for non-manufacturing Indonesian companies and 28% for manufacturing Indonesian companies.

From the graph above, it shows that over the last three years (2021-2023), the number of data on manufacturing and non-manufacturing companies on Bursa Malaysia increased from 2021 to 2022 and experienced a decrease in the number of data on non-manufacturing companies and manufacturing companies from 2022 to 2023.

Based on the graph above, data on the number of companies on the Malaysian Exchange from 2021 to 2022 has increased by 32% for non-manufacturing Malaysian companies and 6% for manufacturing Malaysian companies. However, there will be a decrease from 2022 to 2023

of 24% for non-manufacturing Malaysian companies and 1% for manufacturing Malaysian companies.

The year 2023 will end in a matter of hours and will soon move into the new year, namely 2024. Of course, there are many positive and negative moments that will characterize the global stock market, especially in the Asia-Pacific region in 2023. The majority of the performance of the Asia-Pacific stock index is positive. However, there are several Asia-Pacific indices that will also perform less well throughout 2023.

METHOD

This research category is quantitative research. Quantitative research is a method with numbers that can be calculated or measured by conducting hypothesis tests through processing and statistically testing data obtained from companies so that it can provide a picture of the actual situation. In this research it is classified into independent variables and dependent variables. The type of data used in this research is secondary data, namely data taken or obtained from other parties, records or other sources that have previously existed and are causal in nature. Financial report data was obtained from manufacturing companies listed on the Indonesia Stock Exchange (BEI) and Bursa Malaysia in 2023. The data in this research is in the form of financial reports listed on the BEI for the period 2023. The variables used in this research are Current Ratio (CR), Return on Assets (ROA), Total Asset Turnover (TATO), Debt to Equity Ratio (DER), and Price Earnings Ratio (PER).

The population in this study are manufacturing companies listed on the Indonesia Stock Exchange (BEI) and Bursa Malaysia for the period 2023. The sample used is companies included in the manufacturing sector on the Indonesia Stock Exchange (BEI) and Bursa Malaysia. This sample was selected using the purposive sampling method.

RESULTS AND DISCUSSION

The statistical analysis used in this research is the paired sample t-test and the Wilcoxon signed rank test. These results are expressed in table form with the respective analysis as follows:

Table 1. Descriptive Research Data Companies on the Indonesian Stock Exchange

	ROA	DER	CR	TATO	PER
Mean	0.0430272	1.426467	1.361164	1.435696	0.927931
Maximum	0.8312	1.9870	2.8784	2.9340	1.8486
Minimum	0.1451	0.0192	00.0654	0.0955	0.2805
Std. Dev.	0.1787598	0.4102871	0.8839859	0.9152999	0.4502579

Sumber: Hasil Pengolahan Data Eviews 9, 2023

Based on table 4.2.1, the results and explanation of descriptive data analysis of manufacturing companies on the Indonesian Stock Exchange are as follows:

1. Based on table 4.2,1 Return On Assets (ROA) explains that there is a Manufacturing Company with the lowest value of 0.1451, namely PT Buana Artha Anugerah, Tbk and there is a Manufacturing Company with the highest value of 0.8312, namely PT Kino Indonesia, Tbk. This shows that the Return On Assets (ROA) variable data can be used as a representation of the entire data.

2. Based on table 4.2,1 Debt to Equity Ratio (DER) explains that there is a Manufacturing Company with the lowest value of 0.0192, namely PT Wismilak Inti Makmur, Tbk and there is a Manufacturing Company with the highest value of 1.9870, namely PT Kadawung Setia Indrustial, Tbk. This shows that the Debt to Equity Ratio (DER) variable data can be used as a representation of the entire data.

3. Based on table 4.2.1 Current Ratio (CR) explains that there is a Manufacturing Company with the lowest value of 0.0654, namely PT Indo Acidatama, Tbk and there is a Manufacturing Company with the highest value of 2.8784, namely PT Impack Pratama Industri, Tbk. This shows that the Current Ratio (CR) variable data can be used as a representation of the entire data.

4. Based on table 4.2.1 Total Assets Turnover (TATO) explains that there is a Manufacturing Company with the lowest value of 0.0995, namely PT Mega Perintis, Tbk and there is a Manufacturing Company with the highest value of 2.9340, namely PT. Voxel Electric. This shows that the Total Assets Turnover (TATO) variable data can be used as a representation of the entire data

5. Based on table 4.2.1 Price Earnings Ratio (PER) explains that there is a Manufacturing Company with the lowest value of 0.2805, namely PT Chitose Internasional, Tbk and there is a Manufacturing Company with the highest value of 1.8486, namely PT Mandom Indonesia, Tbk. This shows that the Price Earnings Ratio (PER) variable data can be used as a representation of the entire data.

Table 2. Descriptive Research Data Companies listed on Bursa Malaysia

	ROA	DER	CR	TATO	PER
Mean	0.0743115	1.165297	0.545059	0.458571	0.444824
Maximum	2.0396	1.9361	0.8475	0.8511	0.7721
Minimum	0.2785	0.4620	0.2546	0.2863	0.1613
Std. Dev.	0.3345072	0.3402436	0.1543897	0.1254874	0.1591929

Based on table 4.2.2, the results and explanation of the descriptive data analysis of Manufacturing Companies listed on Bursa Malaysia are as follows:

1. Based on table 4.2,2 Return On Assets (ROA) explains that there is a manufacturing company with the lowest value of 0.2785, namely Fundpac Group Berhad and there is a manufacturing company with the highest value of 2.0306, namely Widetech (Malaysia) Berhad. This shows that the Return On Assets (ROA) variable data can be used as a representation of the entire data.

2. Based on table 4.2, 2 Debt to Equity Ratio (DER) explains that there is a Manufacturing Company with the lowest value of 0.4620, namely Beraz Auto Berhad and there is a Manufacturing Company with the highest value of 1.9361, namely A-Rank Berhad. This shows that the Debt to Equity Ratio (DER) variable data can be used as a representation of the entire data.

3. Based on table 4.2,2 Current Ratio (CR) explains that there is a manufacturing company with the lowest value of 0.2546, namely Boilermech Holdings Berhad and there is a manufacturing company with the highest value of 0.8475, namely Superlon Holdings Berhad. This shows that the Current Ratio (CR) variable data can be used as a representation of the entire data.

4. Based on table 4.2,2 Total Assets Turnover (TATO) explains that there is a manufacturing company with the lowest value of 0.2863, namely Pantech Group Holdings Berhad and there is a manufacturing company with the highest value of 0.8511, namely Southern Acids (Malaysia) Berhad. This shows that the Total Assets Turnover (TATO) variable data can be used as a representation of the entire data.

5. Based on table 4.2,2 Price Earnings Ratio (PER) explains that there is a manufacturing company with the lowest value of 0.1613, namely Pansar Berhad and there is a manufacturing company with the highest value of 0.7721, namely Press Metal Alumunium Holdings Berhad. This shows that the Price Earnings Ratio (PER) variable data can be used as a representation of the entire data.

Table 3. Independent t-test results
Research Sample of Manufacturing Companies on the Indonesian and Malaysian Stock Exchanges

		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Significance		Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						One-Sided p	Two-Sided p			Lower	Upper
ROA	Equal variances	5,987	0,017	-4,918	68	0,000	0,000	-0,3128425	0,0636092	-0,4397727	-0,1859123
	Equal variances not assumed			-4,840	49,787	0,000	0,000	-0,3128425	0,0646427	-0,4426948	-0,1829901
DER	Equal variances	0,697	0,407	2,890	68	0,003	0,005	0,2611696	0,0903771	0,0808249	0,4415143
	Equal variances not assumed			2,905	66,905	0,002	0,005	0,2611696	0,0898936	0,0817365	0,4406027
CR	Equal variances	54,407	0,000	5,305	68	0,000	0,000	0,8161051	0,1538297	0,5091426	1,1230675
	Equal variances not assumed			5,452	37,256	0,000	0,000	0,8161051	0,1496913	0,5128720	1,1193381
TATO	Equal variances	68,997	0,000	6,168	68	0,000	0,000	0,9771252	0,1584222	0,6609987	1,2932517
	Equal variances not assumed			6,342	36,392	0,000	0,000	0,9771252	0,1540605	0,6647927	1,2894577
PER	Equal variances	14,777	0,000	5,915	68	0,000	0,000	0,4831070	0,0816758	0,3201256	0,6460885
	Equal variances not assumed			6,050	44,060	0,000	0,000	0,4831070	0,0798550	0,3221761	0,6440380

Based on table 4.4 above, it is known that the Indonesian sample is 36 Manufacturing Companies on the Indonesia Stock Exchange and 34 samples of Manufacturing Companies on the Malaysia Stock Exchange with a total of 5 variables.
So the following conclusions can be drawn:

1) The results of statistical testing show that the Sig. of 0.017 is smaller than 0.05 (0.017 < 0.05). Thus, it can be concluded that H01 is rejected, which means there is a significant difference in Return on Assets (ROA) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023. The Mean Difference Value of ROA is -0.3128425, thus it can be concluded that the Increase in Value of Manufacturing Companies listed on The Malaysian Stock Exchange in 2023 will be better than Indonesia. This difference is in accordance with the source of previous research results (Kumala et al., 2021) which explains that the company has not been able to obtain the profits it gets from its assets, so that ROA has a significant difference in its financial performance.

2) The results of statistical testing show that the Sig. 0.407 is greater than 0.05 (0.407<0.05). Thus, it can be concluded that H02 is accepted, which means there is no significant difference in the Debt to Equity Ratio (DER) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023. The Mean Difference Value of DER is 0.2611696, thus it can be concluded that the Increased Value of Manufacturing Companies listed on the Indonesian Stock Exchange in 2023 better than Malaysia. This equation is in accordance with the source of the results of previous research by Kridasusila & Rachmawati (2016) which states that there is no difference in a company's ability to manage a high debt ratio or DER to increase the level of profitability of a company.

3) Statistical test results show that the Sig. <0.001 is smaller than 0.05 (0.001 < 0.05). Thus it is concluded that H03 is rejected, which means there is a significant difference in the Current Ratio (CR) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023. The Mean Difference CR value is 0.8161051, thus it can be concluded that the Increased Value of Manufacturing Companies listed on the Stock Exchange Indonesia in 2023 will be better than Malaysia. This difference is in accordance

with the source of the research results inability to pay off short-term obligations, so there are significant differences.

4) Statistical test results show that the Sig. <0.001 is smaller than 0.05 (0.001 < 0.05). Thus, it can be concluded that H04 is rejected, which means there is a significant difference in Total Assets Turnover (TATO) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023. The Mean Difference Value of TATO is 0.9771252, thus it can be concluded that the Increased Value of Manufacturing Companies listed on the Stock Exchange Indonesia's effects in 2023 will be better than Malaysia's. This difference is in accordance with the source of previous research results (Kumala et al., 2021) which states that there are differences in TATO in companies, this is because the company has not been effective in using the assets it owns.

5) Statistical test results show that the Sig. <0.001 is smaller than 0.05 (0.001 < 0.05). Thus, it can be concluded that H05 is rejected, which means there is a significant difference in Price Earnings Ratio (PER) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023. The Mean Difference PER value is 0.4831070, thus it can be concluded that the Increase in Value of Manufacturing Companies listed on the Stock Exchange Indonesia's effects in 2023 will be better than Malaysia's. This difference is in accordance with the source of the results of previous research. According to (Esomar & Christianty, 2021), there is a difference in the increase in PER by share prices and company profits. When share prices fall and profits fall, it can have an impact on increasing PER.

CONCLUSION

Based on the research results discussed in the previous chapter, it can be concluded as follows:
1. There is a difference in Return on Assets (ROA) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023.
2. There is no difference in Debt to Equity Ratio (DER) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023.
3. There is a difference in the Current Ratio (CR) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023.
4. There is a difference in Total Assets Turnover (TATO) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023.
5. There is a difference in Price Earnings Ratio (PER) between Manufacturing Companies listed on the Indonesia and Malaysia Stock Exchanges in 2023.

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