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The Analyze Financial Performance of PT Gudang Garam Tbk

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Abstract: The objective of this research is to analyze the financial performance of pt gudang garam tbk. Using liquidity ratio, solvability ratio, and profitability ratio. The research methodology used is a descriptive quantitative method with time series data and secondary data from the indonesia stock exchange. Mechanical sampling using purposive sampling. The data were analyzed using qualitative comparison of the company financial performance through the comparative approach to the liquidity ratio, solvency ratio, and profitability ratio. The results of the solvency ratio (der) have a good company performance even though it is below the industry average. The results of the calculation of the profitability ratio (npm) have a good company performance because it is above the industry average. The results of the calculation of the profitability ratio (gpm) have poor company performance and are below the industry average. The results of the calculation of the profitability ratio (roe) have a good company performance and are above the industry average. The results of the calculation of the profitability ratio (roi) have a good company performance and are above the industry average.

Keyword: Performance, Analyze, Financial

INTRODUCTION

Indonesia is a country that has a strategic location and produces abundant natural wealth. This can support the country's economy by exploring human resource knowledge and utilizing the latest technology as a tool for managing raw materials sourced from natural resources. One of the raw materials that is widely produced is tobacco. This can create opportunities for some people in business activities in the industrial world such as cigarette companies in Indonesia.

As one of the state-owned domestic strategic sectors, the Tobacco Products Industry (IHT) has superior competitiveness and is able to provide relevant subsidies for the national economy. Absorption of labor, excise duty as state income, also become important commodities for farmers sourced from plantation products in the form of tobacco and cloves are a form of sector contribution in local products. (Ministry of Industry, 2017) .

The number of business opportunities makes the majority of entrepreneurs continue to carry out strategies to deal with unpredictable conditions and competition between other entrepreneurs. However, the economy in Indonesia began to experience a decline which was the impact of the COVID-19 pandemic that occurred at the end of 2019 until now. This shows conditions such as a decline in tobacco production, consumer purchasing power and affects the income and operational activities of cigarette companies in Indonesia.

The Minister of Finance of the Republic of Indonesia Sri Mulyani Indrawati in an interview with Detik Finance (2020) said that the decline in tobacco production improved compared to the period until February which previously decreased by around 22.6%. The current spread of the corona virus has resulted in fluctuations in the economic situation of the community which ultimately affects the decline in tobacco production. As a result, people prefer to maintain their economy rather than having to buy cigarettes. (www.finance.detik.com).

According to Corporate Gudang Garam Secretary Heru Budiman in an interview on the Indonesia Stock Exchange (IDX), the COVID-19 pandemic had an impact on the partial suspension of the mechanism for about 1 to 3 months. However, there were no employees who were adversely affected, such as termination of employment (PHK), laid off or a 50% pay cut. Even though the consolidated financial results as of March 31, 2020 have not shown a decline in sales revenue or profit, the lower public interest in cigarettes and the increase in excise taxes that began to rise in 2020 resulted in a decrease in the company's sales volume compared to 2019. He believes that the COVID-19 pandemic has made obstacles even more difficult. This is difficult because the purchasing power of certain people is getting depressed which in turn has an impact on the demand for the company's products. Since April to date, sales volume has shown a more drastic decline. (cnbcindonesia.com, 2020).

This makes the company continue to make planning efforts to strengthen financial performance, with effective and efficient operational strategy strategies so that the company survives and continues to grow and avoids declining profits and even bankruptcy. In an effort to improve financial performance, it is necessary to have other capital that is able to support the company's activities. That is capital obtained from investors.

The purpose of investors in investing their capital is to make a profit, this goal makes investors more careful in choosing a company to invest their funds in. Therefore, companies that have gone The public should compile financial reports as a reference for investors to see the advantages or disadvantages of the company and see whether the company can provide benefits to investors in the future.

In determining a business entity or company that has qualified quality, there are two assessments that can be used as a reference to see that the business entity or company has implemented the correct management rules. This assessment can be seen in terms of financial performance and non-financial performance. Information derived from the balance sheet, income statement, and cash flow statement in the financial statements of a company or business entity can be used as an assessment in terms of financial performance. (Trianto, 2017).

An owner of a company's stock holds fast to current and future profits, to the balance of these profits and their comparison with other companies' profits. He will be interested in the financial condition of companies that are able to grow, pay dividends, and avoid bankruptcy. Analysis of the company's performance can help in carrying out the company's own planning efforts. (Ramadan and Syarfan, 2016).

Analyzing financial statements is the same as assessing the company's performance, both internally and for comparison with other companies in the same industry. This is useful for the development of the company by seeing how effectively the company's operations have been running. (Herry, 2015).

By analyzing financial statements, it will help the company to see the extent to which operational activities are running, it will also be useful in terms of planning to decision making, both internally and externally for companies that need information about the condition of the company's financial statements.

Financial ratio analysis is part of financial analysis, namely analysis by uniting several budgets contained in financial statements using the form of financial ratios. This financial ratio analysis can provide an explanation of the relationship between financial statement budgets and can be used to measure the financial condition and performance of the company. (Herry, 2015) .

According to Maith (2013) , ratio analysis is one of the financial analyzes that can be used to measure the condition of a company's financial statements. Financial ratio analysis requires financial reports for at least the last 2 (two) years from the time the company runs. Financial ratio analysis, can help see the good and bad financial performance of the company. Ratio analysis can be classified into various types, consisting of liquidity, solvency, activity and profitability ratios.

The level of liquidity is used to see the company's ability to meet its short-term debt using its current assets as collateral. Meanwhile, the level of solvency is looking at the company's ability to fulfill all its obligations with the guarantee of its assets. The level of activity, measuring the effectiveness of the use of assets by a company. The level of profitability is carried out to see the company's ability to manage its capital to generate profits. (Maith, 2013)

Several previous studies have conducted many studies on financial statement analysis using financial ratios, including Maith (2013); Febriyanto and Adi (2016); Ramadhan and Syarfan (2016); Trianto (2017) .

According to previous research conducted by Trianto in 2017, the percentage of liquidity ratios in 2014 exceeded the industry average due to the company's good financial condition but in 2015-2016 it was below the industry average. Based on the solvency ratio, the percentages are successively above the industry average in the 2014-2016 period which can be concluded that their financial condition is deteriorating. In terms of profitability ratios, in 2014 the results of the calculation of return on investment were above the industry average, while the company's financial condition was considered less good due to the decline in profits in 2015 and 2016 even though the return on equity was above the industry average. The results of the calculation of return on equity in the period 2014 to 2016 are above the industry average. However, in 2016 there was a decrease in the company's profits so that although the return on equity results showed that it was above the industry average, the company's performance was considered less good.

According to previous research conducted by Ramadhan and Syarfan in 2016, thus PT. Ricky Kurniawan Kertapersada has a good financial performance condition in the current ratio calculation in 2012 to 2014 and has a good financial performance condition in 2012-2014 in the quick ratio calculation based on the company's ability to pay off its current debt. In 2012 to 2014 the company's financial performance in calculating the cash ratio was considered unfavorable due to an increase in inventory. It can be concluded from the results of the calculation of the debt to asset ratio in the solvency ratio analysis that it is considered good in the 2012-2014 period, meanwhile it can be seen that the calculation results are not good in the long term. debt to equity ratio and debt to equity ratio occurred in 2012-2014. Thus it can be seen that in 2012-2014 PT. Ricky Kurniawan Kertapersada has the ability to earn profits through asset turnover, but is unable to generate stable profits through own capital. In 2013 the condition of the company's financial performance in the calculation of the net profit margin was in the good category with a level of 42%. Based on the results of calculations and discussions, the ratio of total asset turnover to total sales volume in 2012 was

3.4, 2013 was 1.5 and 2014 was 1.2. These results show that the company has been quite productive for three years.

According to previous research conducted by Febriyanto and Adi in 2016, the liquidity ratio at PT Gudang Garam Tbk from 2011 to 2014 was still liquid despite many declines. The solvency ratio of PT Gudang Garam Tbk from 2011 to 2014 shows an increase from year to year which can still be considered good because the company is still solvable. From the calculation of the profitability ratio in the period 2011 to 2014, based on the profits that continue to be generated by PT Gudang Garam Tbk. can be categorized as quite good even though there was a decrease in the results of the ratio calculation. Effective and efficient resource management carried out by PT Gudang Garam Tbk. resulting in the total calculation of the activity ratio is in the good category. From 2011 to 2014, the entire calculation of the financial ratio analysis of PT Gudang Garam Tbk. shows the company's financial performance is increasing. These conditions can be concluded based on the company's success in generating profits and avoiding losses every year.

According to previous research conducted by Maith in 2013, the company's financial performance was concluded to be in the healthy category (liquid) based on the results of the calculation of the increased liquidity ratio. The company's capital which cannot cover the company's debts causes the results of the calculation of the solvency ratio to show that the company's condition is in the unhealthy category (insolvable). The increase that continues to occur every year in the calculation of the activity ratio shows the company's performance is in good condition. Meanwhile, the results of the increasing profitability ratio every year show a healthy state of company performance.

LITERATURE REVIEW

Financial reports according to Hery (2015, p. 19) are basically the result of an accounting process that can be used as a tool to communicate financial data or company activities to interested parties. The parties with an interest in the financial position and development of the company are divided into two, namely internal parties such as company management and employees, and the second is external parties such as shareholders, investors, creditors, the government, and the public.

Financial ratio is a ratio calculation using financial statements that serve as a measuring tool in assessing the financial condition and performance of the company. Financial ratios are numbers obtained from the comparison between one financial statement item and another item that has a relevant and significant relationship. Comparisons can be made between one item and another in a financial statement or between items that exist between financial statements. (Herry, 2015).

According to Hantono in his book (2018), several financial ratios can be used to analyze the company's financial development :

1) Liquidity Rasio

The liquidity ratio is used to show the company's ability to pay off its short-term debts. This ratio is used to see whether a company is liquid or not. If the results of the calculation of the high liquidity ratio can be concluded that the company is in good financial condition. There are several ratios that are included in the liquidity ratio group, namely the *current ratio* and *quick ratio*.

2) Profitability Rasio

Profitability ratio is the ratio used to measure the company's ability to generate profits. In addition, this ratio can also show the extent to which the company can manage its business. The greater the resulting profitability ratio indicates the company's financial condition is getting better. There are several ratios included in the profitability ratios are *Net profit Margin* , *Gross Profit Margin* , *Return on Equity* , and *Return on Investment*.

3) Solvency Ratio or Leverage

The solvency ratio is the ratio used to calculate the extent to which the company uses debt to finance the company's assets. In another sense, this solvency ratio can also show whether the company is able to pay its long-term debt. The lower the solvency ratio, the better, because the debt burden that must be paid by the company is getting less and less. There are several ratios included in the solvency ratio, namely the *Debt to Assets Ratio* and the *Debt to Equity Ratio*.

Various analyzes have been carried out by several previous studies regarding financial ratio analysis to assess the company's financial performance such as (Febriyanto and Adi (2016); Lustiyana *et al.* (2016); Ramadhan and Syarfan (2016) .

RESEARCH METHOD

The place and time of this research was carried out by the author within a period of 4 (four) months from the period November 2020 - February 2021. The research method used was descriptive quantitative. The type of data in this study is *time series* with data sources in the form of the annual financial statements of PT Gudang Garam Tbk published and issued by the Indonesia Stock Exchange during the period 2017-2020. The data collection method used in this study used the method *purposive sampling* .

The instrument used in this study is data obtained from secondary data sources originating from the company's financial statements listed on the Indonesia Stock Exchange. Furthermore, the data includes the following variables: Liquidity Ratio (*Current Ratio and Quick Ratio*), Solvency Ratio (*Debt to Assets Ratio and Debt to Equity Ratio*), Profitability Ratio (*Net Profit Margin, Gross Profit Margin, Return On Equity, and Return On Investment*).

FINDINGS AND DISCUSSION

Liquidity Ratio Analysis

Calculation of the Current Ratio in table 1, shows that PT Gudang Garam Tbk. in 2017 was at 1.94 point with an industry average of 3.62. In 2018 the assessment of the company's Current Ratio increased to 2.06 with an industry average of 3.47. Then in 2019 the Current Ratio assessment was at the same point, namely 2.06 with an industry average of 3.32. And in 2020, the results of the assessment of the Current Ratio of PT Gudang Garam Tbk. again increased to 2.91 and the industry average was 2.81. The average value of the company's Current Ratio is below the industry average from 2017 to 2019 and is above the industry average in 2020.

In the same table, the results of the Quick Ratio calculation show that PT Gudang Garam Tbk. in 2017 it was at 0.26 with an industry average of 1.16. In the following year the results of the Quick Ratio calculation at PT Gudang Garam Tbk. has increased every year, namely 2018 to 0.31 with an industry average of 1.27 then in 2019 it became 0.37 with an industry average of 1.44 and in 2020 it increased to 0.57 point and the industry average was 1. 22. The average value of the company's Quick Ratio is below the industry average value from 2017 to 2020.

Table 1. Liquidity Ratio for 2017-2020

Liquidity Ratio				
Year	CR	Industry Average (CR)	QR	Industry Average (QR)
2017	1.94	3.62	0.26	1.16

2018	2.06	3.47	0.31	1.27
2019	2.06	3.32	0.37	1.44
2020	2.91	2.81	0.57	1.22
Average	2.24	3.31	0.37	1.27

Source: Data processed by the author , 2021

Solvency Ratio Analysis

The results of the calculation of the *Debt to Assets Ratio* in table 2 show that PT Gudang Garam Tbk. in 2017 it was at 0.37 with an industry average of 0.29. In 2018 the assessment of the company's Debt to Assets Ratio decreased by 0.35 and the industry average was 0.31. In the following year the results of the assessment of the Debt to Assets Ratio were at the point of the previous year, namely 0.35 with an industry average of 0.34. And in 2020 the results of the calculation of the Debt to Assets Ratio of PT Gudang Garam Tbk. decreased again to 0.25 and the industry average was 0.36. The average value of the company's Debt to Assets Ratio is above the industry average from 2017 to 2019 and is below the industry average in 2020.

Shown in the same table, the results of the calculation of the Debt to Equity Ratio show that PT Gudang Garam Tbk. in 2017 it was at 0.58 with an industry average of 0.42. In 2018 the assessment of the company's Debt to Equity Ratio decreased to a point of 0.53 with an industry average of 0.47. In the following year, in 2019, the assessment of the Debt to Equity Ratio increased to 0.54 with an industry average of 0.56. Then there was a decrease again in the results of the calculation of the Debt to Equity Ratio of PT Gudang Garam Tbk. in 2020 to 0.34 and the industry average 0.63. The average value of the company's Debt to Equity Ratio is above the industry average from 2017 and 2018 and is below the industry average in 2019 and 2020.

Table 2. Solvency Ratio 2017-2020

Solvency Ratio				
Year	DAR	Industry Average (DAR)	DER	Industry Average (DER)
2017	0.37	0.29	0.58	0.42
2018	0.35	0.31	0.53	0.47
2019	0.35	0.34	0.54	0.56
2020	0.25	0.36	0.34	0.63
Average	0.33	0.33	0.50	0.52

Source: Data processed by the author, 2021

Profitability Ratio Analysis 2017-2020

The results of the calculation of the *Net Profit Margin* in table 3, show that PT Gudang Garam Tbk. in 2017 it was at 9.31% with an industry average of 6.21%. In 2018 the company's *Net Profit Margin assessment* decreased to 8.14% with an industry average of 6.11%. In 2019, the Net Profit Margin assessment for this company increased to 9.84% with an industry average of 6.25%. And in 2020 there was another decline in the results of the PT Gudang Garam Tbk *Net Profit Margin assessment*. to 6.68% and the industry average is 1.35%. The average value of the company's *Net Profit Margin* is above the industry average value from 2017 to 2020.

Shown in the same table, the results of the calculation of *Gross Profit Margin* show that PT Gudang Garam Tbk. in 2017 it was at a point of 21.87% with an industry average of

21.50%. In 2018 the assessment of the company's *Gross Profit Margin* decreased to 19.48% with an industry average of 21.73%. In 2019, the *Gross Profit Margin assessment* for this company increased to 20.61% with an industry average of 22.75%. And in 2020 the results of PT Gudang Garam Tbk 's *Gross Profit Margin assessment*. decreased again to 15.19 and the industry average was 19.22%. The average value of the company's *Gross Profit Margin* is above the industry average value in 2017 and below the industry average value in 2018 to 2020.

The same table also shows the results of the *Return On Equity calculation* , showing that PT Gudang Garam Tbk. in 2017 it was at the point of 18.38% with an industry average of 13.57%. In 2018 the company's *Return On Equity assessment* decreased to 17.27% with an industry average of 13.34%. In 2019 the *Return On Equity assessment* of this company increased to 21.36% with an industry average of 15.77%. And in 2020 the results of the *Return On Equity assessment of PT Gudang Garam Tbk.* decreased again to 19.22% with an industry average of 13.07%. The average value of *Return On Equity* in these companies is above the industry average value from 2017 to 2020.

Meanwhile, it appears in the same table the results of the calculation of *Return On Investment* , show that PT Gudang Garam Tbk. in 2017 it was at 11.62% with an industry average of 10.22%. In 2018 the company's *Return On Investment assessment* decreased to 11.28% with an industry average of 10.08%. In 2019, the *Return On Investment assessment* for this company increased to 13.83% with an industry average of 10.80%. And in 2020 the results of the *Return On Investment assessment of PT Gudang Garam Tbk.* decreased again to 9.78% with an industry average of 4.09%. The average *return on investment* in these companies is above the industry average from 2017 to 2020.

Table 3. Profitability Ratios for 2017-2020

Rasio Profitabilitas								
Tahun	NPM %	Rata-Rata Industri %	GPM %	Rata-Rata Industri %	ROE %	Rata-Rata Industri %	ROI %	Rata-Rata Industri %
2017	9,31	6,21	21,87	21,5	18,38	13,57	11,62	10,22
2018	8,14	6,11	19,48	21,73	17,27	13,34	11,28	10,08
2019	9,84	6,25	20,61	22,75	21,36	15,77	13,83	10,8
2020	6,68	1,35	15,19	19,22	13,07	2,32	9,78	4,09
Rata-Rata	8,49	4,98	19,29	21,30	17,52	11,25	11,63	8,80

Source: Data processed by the author, 2021

Discussion

Liquidity Ratio Analysis (Current Ratio and Quick Ratio) PT Gudang Garam Tbk. Period 2017 - 2020.

Based on the calculation of the Current Ratio, it shows that PT Gudang Garam Tbk. in 2017 was at 1.94 point with an industry average of 3.62. In 2018 the assessment of the company's Current Ratio increased to 2.06 with an industry average of 3.47. Then in 2019 the Current Ratio assessment was at the same point, namely 2.06 with an industry average of 3.32. And in 2020, the results of the assessment of the Current Ratio of PT Gudang Garam Tbk. again increased to 2.91 and the industry average was 2.81. The average value of the company's Current Ratio is below the industry average from 2017 to 2019 and is above the industry average in 2020.

Based on the description above, the company has a good performance when viewed from its financial statements because PT Gudang Garam has an average Current Ratio of 2.24 times which means that its current assets are greater than its current liabilities so that it is still able to pay off its current debt. However, when compared with the industrial average value of Indonesian cigarette companies, which is 3.62 times, PT Gudang Garam has a poor performance because it has an average below the industry average.

Based on the results of the Quick Ratio calculation, it shows that PT Gudang Garam Tbk. in 2017 it was at 0.26 with an industry average of 1.16. In the following year the results of the Quick Ratio calculation at PT Gudang Garam Tbk. has increased every year, namely 2018 to 0.31 with an industry average of 1.27 then in 2019 it became 0.37 with an industry average of 1.44 and in 2020 it increased to 0.57 point and the industry average was 1.22. The average value of the company's Quick Ratio is below the industry average from 2017 to 2020.

Based on the description above, the company has a poor performance, because the value of current debt is greater than the value of current assets that have been reduced by inventory. In addition, the average Quick Ratio owned is 0.37 times, when compared with the industrial average value of Indonesian cigarette companies, which is 1.27 times, PT Gudang Garam Tbk. has poor performance because it is below the industry average.

Based on the overall liquidity ratio analysis at PT Gudang Garam Tbk. in 2017 - 2020 continues to increase from year to year. Current liabilities owned by the company increased in 2019 although they decreased in 2018 and 2020. Meanwhile, current assets continued to increase every year even though they decreased in 2020. From this it is known that the company can be considered to have a good condition because the company's current assets quite capable of meeting current liabilities, even though the Current Ratio and Quick Ratio values are far below the average of the same/similar industry.

The results of this research based on liquidity analysis are in accordance with research conducted by Hendry Anders Maith (2013) regarding the liquidity ratio of PT HM Sampoerna Tbk is in good condition.

Solvency Ratio Analysis (Debt to Assets Ratio and Debt to Equity Ratio) PT Gudang Garam Tbk. Period 2017 - 2020.

Based on the results of the calculation of the Debt to Assets Ratio, it shows that PT Gudang Garam Tbk. in 2017 it was at 0.37 with an industry average of 0.29. In 2018 the assessment of the company's Debt to Assets Ratio decreased by 0.35 and the industry average was 0.31. In the following year the results of the assessment of the Debt to Assets Ratio were at the point of the previous year, namely 0.35 with an industry average of 0.34. And in 2020 the results of the calculation of the Debt to Assets Ratio of PT Gudang Garam Tbk. decreased again to 0.25 and the industry average was 0.36. The average value of the company's Debt to Assets Ratio is above the industry average from 2017 to 2019 and is below the industry average in 2020.

Based on the description above, it can be seen that the company has an average Debt to Assets Ratio of 0.33. Which means the company is funded by debt by 0.33 or 33%. When compared with the industrial average value of Indonesian cigarette companies, which is 0.33 then PT Gudang Garam, Tbk. has a good performance even though it has the same average as the industry average. Because the total assets per year owned by the company are high and are still able to meet the company's debts.

Based on the results of the calculation of the Debt to Equity Ratio, it shows that PT Gudang Garam Tbk. in 2017 it was at 0.58 with an industry average of 0.42. In 2018 the assessment of the company's Debt to Equity Ratio decreased to a point of 0.53 with an industry average of 0.47. In the following year, in 2019, the assessment of the Debt to Equity Ratio increased to 0.54 with an industry average of 0.56. Then there was a decrease again in

the results of the calculation of the Debt to Equity Ratio of PT Gudang Garam Tbk. in 2020 to 0.34 and the industry average 0.63. The average value of the company's Debt to Equity Ratio is above the industry average from 2017 and 2018 and is below the industry average in 2019 and 2020

Based on the description above, it can be seen that the company has an average Debt to Equity Ratio of 0.50. Which means the business is funded by 0.50 or 50% debt and 0.50 or 50% capital. When compared with the industrial average value of Indonesian cigarette companies, which is 0.52, then PT Gudang Garam Tbk. has a good performance because it is below the industry average. Because the total annual capital owned by the company is higher, which means it is still able to meet the company's debts.

Based on the analysis of the overall solvency ratio at PT Gudang Garam Tbk. in 2017 to 2020 has decreased from year to year. The company's total debt decreased in 2017, 2018, and 2020 although it increased in 2020. Meanwhile, total assets and total capital continued to increase every year. From this, the company can be said to be good because the total assets and total capital of the company are able to meet the company's total debt.

Based on this research, it is not in accordance with the research conducted by Kurnia Dwi Ramadhan and La Ode Syarfan (2016) regarding the solvency ratio at PT Ricky Kurniawan Kertapersada, it can be seen that based on the calculation of the debt to asset ratio, it was concluded that during the years 2012-2014 were in the good category, while PT. Ricky Kurniawan Kertapersada has found unfavorable conditions in the calculation of the debt to equity ratio in 2012-2014, the results can be seen during that year PT. Ricky Kurniawan Kertapersada is able to make good use of existing assets to pay his debts, but in terms of capital the company is not in a good effort to meet its debts.

Profitability Ratio Analysis (Net Profit Margin, Gross Profit Margin, Return On Equity and Return On Investment) PT Gudang Garam Tbk. Period 2017 - 2020.

Based on the results of the calculation of Net Profit Margin, it shows that PT Gudang Garam Tbk. in 2017 it was at 9.31% with an industry average of 6.21%. In 2018 the company's Net Profit Margin assessment decreased to 8.14% with an industry average of 6.11%. In 2019, the Net Profit Margin assessment for this company increased to 9.84% with an industry average of 6.25%. And in 2020 there was another decline in the results of the PT Gudang Garam Tbk Net Profit Margin assessment. to 6.68% and the industry average is 1.35%. The average value of the company's Net Profit Margin is above the industry average value from 2017 to 2020.

Based on the description above, it can be seen that the company has an average Net Profit Margin of 8.49%. When compared with the industrial average value of Indonesian cigarette companies, which is 4.98%, then PT Gudang Garam Tbk. has a good performance because it does not have an average below the industry. This happens because the net profit generated by the company is higher.

Based on the results of the calculation of Gross Profit Margin, it shows that PT Gudang Garam Tbk. in 2017 it was at a point of 21.87% with an industry average of 21.50%. In 2018 the assessment of the company's Gross Profit Margin decreased to 19.48% with an industry average of 21.73%. In 2019, the Gross Profit Margin assessment for this company increased to 20.61% with an industry average of 22.75%. And in 2020 the results of PT Gudang Garam Tbk 's Gross Profit Margin assessment. decreased again to 15.19 and the industry average was 19.22%. The average value of the company's Gross Profit Margin is above the industry average value in 2017 and below the industry average value in 2018 to 2020.

Based on the description above, it can be seen that the company has an average Gross Profit Margin of 19.29%. When compared with the industrial average value of Indonesian cigarette companies, which is 21.30%, then PT Gudang Garam Tbk. has poor performance

because it is below the industry average. This happened because the gross profit generated from sales was small due to the increased cost of goods sold from 2017 to 2020.

Based on the calculation of Return On Equity, it shows that PT Gudang Garam Tbk. in 2017 it was at the point of 18.38% with an industry average of 13.57%. In 2018 the company's Return On Equity assessment decreased to 17.27% with an industry average of 13.34%. In 2019 the Return On Equity assessment of this company increased to 21.36% with an industry average of 15.77%. And in 2020 the results of the Return On Equity assessment of PT Gudang Garam Tbk. decreased again to 19.22% with an industry average of 13.07%. The average value of Return On Equity in these companies is above the industry average value from 2017 to 2020.

Based on the description above, it can be seen that the company has an average Return On Equity of 17.52%. When compared with the industrial average value of Indonesian cigarette companies, which is 11.25%, then PT Gudang Garam Tbk. has a good performance because it does not have an average that is below the industry average. This shows that the company utilizes total equity efficiently.

Based on the calculation results of Return On Investment, shows that PT Gudang Garam Tbk. in 2017 it was at 11.62% with an industry average of 10.22%. In 2018 the company's Return On Investment assessment decreased to 11.28% with an industry average of 10.08%. In 2019, the Return On Investment assessment for this company increased to 13.83% with an industry average of 10.80%. And in 2020 the results of the Return On Investment assessment of PT Gudang Garam Tbk. decreased again to 9.78% with an industry average of 4.09%. The average return on investment in these companies is above the industry average from 2017 to 2020.

Based on the description above, it can be seen that the company has an average Return On Investment of 11.63%. When compared with the industrial average value of Indonesian cigarette companies, which is 8.80%, then PT Gudang Garam Tbk. has a good performance because it does not have an average below the industry average. This is because the decline that occurred in 2018 and 2020 was due to a decrease in net income after interest and taxes and the result was smaller than the decrease in total assets.

Based on the analysis of the overall profitability ratio at PT Gudang Garam Tbk from 2017 to 2020, it has increased and decreased every year. However, the decline that was seen quite clearly occurred in 2020, this was because the total net profit and gross profit decreased even though sales increased. From this, the company can still be said to be good because PT Gudang Garam Tbk. still able to generate profits even though it experienced a decline in 2020 due to the unavoidable condition, namely Covid-19.

Based on this research in accordance with the results of research conducted by Febriyanto and Triyogo Moelyo Adi (2016) at PT Gudang Garam Tbk. which stated that in 2011 to 2014, although the profitability ratio had decreased, it could be categorized as quite good for the profits generated in that year. However, it is still categorized as poor because some of the ratio results are below the industry average.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the calculation of the Current Ratio of PT Gudang Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a good financial performance of 2.24 times, although it is below the industry average of 3.31 times. Based on the calculation of the Quick Ratio of PT Gudang Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a poor financial performance of 0.37 times, because it is below the industry average of 1.27 times.

Based on the results of the calculation of the Debt to Asset Ratio of PT Gudang

Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a good financial performance of 0.33 times, although it is equivalent to the industry average of 0.33 times. Based on the results of the calculation of the Debt to Equity Ratio of PT Gudang Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a good financial performance of 0.50 times, because it is above the industry average of 0.52 times.

Based on the results of the calculation of the Net Profit Margin of PT Gudang Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a good financial performance of 8.49%, because it is above the industry average of 4.98%. Based on the calculation of the Gross Profit Margin of PT Gudang Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a poor financial performance of 19.29%, because it is below the industry average of 21.30%. Based on the calculation of Return On Equity PT Gudang Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a good financial performance of 17.52%, because it is above the industry average of 11.25%. Based on the calculation of the Return On Investment of PT Gudang Garam Tbk. Year 2017 - 2020. Where on average PT Gudang Garam Tbk. has a good financial performance of 11.63%, because it is above the industry average of 8.80%.

Based on the results of the calculation of the Liquidity Ratio, Solvency Ratio, and Profitability Ratio of PT Gudang Garam Tbk. Period 2017 - 2020. Calculation of the highest liquidity ratio occurred in 2020 which occurred due to a decrease in current debt owned by the company in 2020. The calculation of the highest solvency ratio occurred in 2017 which occurred because the total debt of the company was quite a lot but in that year the company had small total assets and capital. The calculation of the highest profitability ratio occurred in 2019 which occurred due to the high net profit obtained in that year.

Suggestion

It is hoped that PT. Gudang Garam Tbk to continue to pay attention to the factors that affect financial performance by increasing the company's assets in order to be able to pay off the debts they have and also increase profits from sales in order to have a good quality financial performance of the company.

For further research, it is hoped that this research will not be used as the final result and it is hoped that researchers can do better research by extending the research time or adding a more complete ratio in order to obtain a more complete picture of the company's performance over a long period of time.

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