Financial Report Analysis to Measure Financial Performance at PT. Pelat Timah Nusantara Tbk (NIKL)

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Abstract: This study evaluates the financial performance of PT. Pelat Timah Nusantara Tbk (NIKL) during 2020-2021. Utilizing descriptive statistical analysis on their Financial Statements from December 2020 and 2021, the research employs liquidity, activity, solvency, and profitability ratios for assessment. The analysis reveals that liquidity and profitability ratios for 2020-2021 fall below industry standards, indicating an unfavorable state. Additionally, debt ratios, Debt to Equity Ratio (DER), LTDtER, Time Interest Earned Ratio, and Fixed Charge Coverage Ratio exceed industry standards, suggesting a concerning solvency condition. Conversely, LTDtER, Time Interest Earned Ratio, and Fixed Charge Coverage Ratio remain satisfactory below average industry standards. While inventory turnover and total asset turnover ratios fall below industry averages, the working capital turnover and fixed asset turnover ratios surpass them.

Keywords: Financial statements, Ratio Analysis Ratio, liquidity ratios, activity ratios, solvency ratios and profitability ratios.

INTRODUCTION

Every company aspires for continuous growth and long-term development. This expectation, as highlighted by Charles Jr, O. H., Schmidheiny, S., & Watts, P. (2017), is fundamental to any business strategy. However, it's crucial to acknowledge the potential challenges, including the risk of bankruptcy which could halt operations. Such adverse outcomes often stem from inadequate management and poor resource allocation within the company.

The relevance of this topic has been magnified by the ongoing COVID-19 pandemic, which has significantly impacted various sectors, including the NIKL industry. Understanding investor sentiment and decision-making patterns is vital in these fluctuating times, as noted by Mirfaqoh et al. (2023). Their research underscores the need to assess the influence of these market variations on stock prices, particularly to gauge the effectiveness of government policies and investments in the sector. Additionally, Baker et al. (2020) and Mahyudin et al. (2021) emphasize the importance of analyzing stock price

dynamics to understand investor behavior during crises, aiding investment decisions in sectors like NIKL.

A key metric for evaluating a company's sustainability is its financial performance, discernible through careful analysis of financial statements. The quality of a company's financial health can be determined by such analysis. As Leopold A. Bernstein, cited by Dwi Prastowo (2006: 0), explains, the primary goal of financial statement analysis is to forecast future states and performances of a company. Walsh Ciaran (2006:29) further elaborates that this analysis is pivotal for making informed business and investment decisions, utilizing accounting information as a critical resource

In analyzing financial statements, there are several benchmarks. Benchmarks or commonly known as ratios / indices are used to connect two financial data with one another. According to Gerald in Cashmere (2018; 108) there are 4 categories of ratios, namely: Liquidity Ratio, Activity Ratio, Solvency Ratio, and Profitability Ratio. Ratio analysis as "future oriented" can make it easier for investors to predict future financial conditions.

Liquidity analysis is the analysis most often used to interpret short-term financial positions (Munawir, 2014). The company can be declared in liquid condition if the company can fulfill its obligations in the short term. The liquidity ratio is measured by the current Ratio (CR) by comparing total current assets and current debt (Hanafi and Halim 2012). A low Current Ratio (CR) indicates high liquidity risks that put the company in an illiquid condition and a decrease in profitability. Meanwhile, a high current ratio indicates the existence of excess current assets that have a bad effect on the profit that will be achieved by the company. Solvency analysis, also known as leverage analysis, indicates a company's ability to meet its long-term obligations (Subramanyam and Wild, 2014). This analysis can be measured through the debt equity ratio (DER), which compares total debt to total assets owned by the company. According to Hanafi and Halim (2012), the debt equity ratio (DER) aids investors in gauging the extent of debt utilized to finance company assets. Companies with strong performance usually maintain a low debt value, leading to higher profits.

Regarding activity ratio measurement, one of the applicable ratios is the Total Assets Turnover (TATO). Lukman Syamsuddin (2011: 62) defines Total Asset Turnover as the efficiency level of utilizing a company's overall assets to generate a certain sales volume. Increased asset utilization efficiency results in higher generated profits. Profitability analysis relates profits to sales and investments (Horne and Wachowicz, 2013). According to Fahmi (2012: 98), Return on Equity (ROE) assesses the extent to which a company uses its resources to provide equity-based returns. Based on Du Pont's concept, ROE doesn't include a leverage multiplier, signifying that higher ROE signifies higher profit efficiency.

In terms of analyzing the financial performance of PT. Pelat Timah Nusantara Tbk (NIKL), its history is noteworthy for our research. In 1980, PT Tambang Timah and PT Krakatau Steel conducted a feasibility study in collaboration with Kaiser Engineers International Corporation from the United States.

In 1982, PT Latinusa was established as a Domestic Investment company (PMDN) with initial shareholders being PT Tambang Timah, PT Krakatau Steel, and PT Nusantara Ampera Bhakti (Nusamba). It commenced commercial operations in 1986 with a production capacity of 130,000 tons per year. Since 2009, PT Latinusa has been listed on the Indonesia Stock Exchange, after being sold by Krakatau Steel and acquired by a Japanese consortium.

PT Latinusa Tbk envisions becoming the premier tinplate company in the AFTA region. Its mission centers on producing quality tinplate at competitive prices and meeting delivery deadlines to ensure customer satisfaction. The company's strategy is closely tied to its vital mission of fulfilling Indonesia's tinplate needs. Currently, Latinusa remains the sole produ cer of tinplate serving industries of strategic importance to the nation. Following the initial public offering, the company's name was changed to PT Pelat Timah Nusantara, Tbk. (PT Latinusa, Tbk.), and its shares were listed on the Indonesia Stock Exchange on December 14, 2009, with the ticker NIKL. By the end of 2021, Latinusa's

share capitalization value reached IDR 2,460,266,250,000.

Based on the aforementioned problem background, the author chose to conduct a deeper analysis using financial ratios such as CR, DER, TATO, and ROE. Consequently, the paper is titled "Financial Performance Analysis at PT Pelat Timah Nusantara Tbk (NIKL)." The primary objective of this paper is to assess the financial performance of PT Pelat Timah Nusantara Tbk. (NIKL) using liquidity, solvency, activity, and profitability ratios. This analysis aims to confirm the company's classification as profitable and determine the effectiveness of its resource management.

Financial Ratio Analysis

Financial ratio analysis, as described by Kasmir (2014:104), entails the comparison of figures within financial statements. Such comparisons can occur between components within a single financial statement or across different statements. These analyses may involve figures from one accounting period or multiple periods. Additionally, Irham Fahmi (2012: 107) defines financial ratio analysis as an indicator tool for assessing a company's financial condition. This tool holds significance, particularly for short-term investors concerned with payment ability and dividend potential.

Comparator for Financial Ratio Analysis

In financial ratio analysis, absolute comparison data serves as the foundation for calculating period-to-period differences. Cashmere (2014:115) outlines the essential comparison data:

Figures within financial statement components, such as current assets vs. current debt, total assets vs. total debt, or sales vs. profit.

Figures across different types of financial statements, like total assets on the balance sheet vs. sales on the income statement.

Year-to-year comparisons for multiple financial statements, such as comparing 2019 with 2020 and 2021.

Company-defined target ratios as reference points for goal achievement. Industry standards specific to the sector, such as the Capital Adequacy Ratio (CAR) for the banking industry, or a percentage return on sales. Financial ratios of competitors within the same sector, providing additional benchmarks.

Function of Financial Ratio Analysis

Financial ratios offer various benefits, as noted by Irham Fahmi (2012: 109):
1. Assessing a company's performance and achievements.
2. Providing management with valuable planning references.
3. Evaluating a company's financial condition.
4. Estimating potential credit risks by considering interest payments and principal returns.
5. Offering valuable insights to organizational stakeholders.

Advantages and Limitations of Financial Ratio Analysis

Financial ratios have both advantages and limitations in assessing financial performance. Advantages include:
1. Enhanced interpretability compared to complex financial statements.
2. Simplified representation of detailed financial information.
3. Facilitated comparative analysis.
4. Support for decision-making and prediction models.
5. Standardized basis for effective comparisons.
6. Facilitation of trend analysis and future predictions.

However, limitations, as noted by Harahap (2010: 298), encompass:
1. Difficulty in selecting appropriate ratios for specific purposes.

2. Influence of accounting and financial statement limitations on ratio accuracy.
3. Presence of estimates and potential bias.
4. Use of acquisition values instead of market prices.
5. Classification impact on ratio calculations.
6. Variations in accounting standards among companies.
7. Challenges in calculating ratios due to data disparities.
8. Impact of differing accounting techniques and standards on comparisons.
9. Form of Financial Ratio Analysis

Liquidity Ratio

Liquidity ratios, as defined by Fredweston in Cashmere (2013), gauge a company's ability to meet short-term obligations. Similarly, Harahap (2010) equates these ratios to the company's short-term obligation settlement capacity. In essence, liquidity ratios measure a company's capability to promptly settle debts, especially those that are overdue. Common liquidity ratios, as identified by Cashmere (2013), include

Current Ratio: Evaluating immediate obligation capacity, with an industry average of 200%.

Cash Ratio: Assessing available cash against debts, with an industry average of 50%.

Quick Ratio: Considering short-term debt repayment without inventory, with an industry standard of 1.5 or 150%.

Cash Turnover Ratio: Measuring working capital adequacy for managing debt and sales-related costs, with an industry average of 10 times.

Solvency Ratio

Solvency ratios, as described by Brigham and Houston (2010), indicate a company's reliance on debt for funding. Kasmir (2010) emphasizes a ratio that gauges the degree to which assets are financed by debt. Solvency ratios reflect the proportion of company assets supported by debt. Common solvency ratios, identified by Cashmere (2013), encompass:
1. Debt Ratio: Indicating asset financing by debt, with an industry average of 35%.
2. Debt to Equity Ratio: Assessing the balance between debt and equity, with an industry average of 80%.
3. Long-Term Debt to Equity Ratio: Measuring long-term debt against equity, with an industry average of 10%.
4. Times Interest Earned: Gauging interest payment ability, with an industry average of 10 times.

Activity Ratio

Activity ratios evaluate a company's efficiency in asset utilization to ensure optimal resource use. According to Rangkuti (2013: 92), activity ratios assess effective fund utilization. Key activity ratios include:
1. Inventory Turnover Ratio: Measuring inventory activity and liquidity.
2. Total Asset Turnover Ratio: Assessing asset utilization for generating sales.
3. Receivable Turnover: Evaluating the efficiency of receivables.
4. Fixed Asset Turnover: Gauging effectiveness in utilizing fixed assets.
5. Average Collection Turnover: Estimating consumer payment speed.
6. Working Capital Turnover: Relating current assets and debt to sales.

Profitability Ratio

Munawir (2010) defines profitability ratios as indicators of a company's profit-generation capacity. Harahap (2010: 304) characterizes profitability as assessing profit achieved through various resources. Sartono (2010) adds that profitability assesses profit relative to sales, assets, and capital. Key profitability ratios include:
1. Net Profit Margin: Indicating net income against sales.
2. Gross Profit Margin: Depicting gross profit in relation to net sales.
3. Return On Investment (ROI): Assessing management effectiveness in generating returns.
4. Return On Equity (ROE): Measuring net profit with equity.
5. Earnings per Share (EPS): Reflecting shareholder benefit.

Financial Performance

Fahmi (2011: 2) underscores that financial performance analysis determines a company's adherence to sound financial practices. This analysis portrays a company's financial state over a specified period, reflecting its performance. Further emphasized by Rudianto (2013: 189), financial performance showcases the results achieved through effective asset management.

Objectives of Measuring Financial Performance

Munawir (2012: 31) highlights the objectives of measuring financial performance:
Assessing liquidity for immediate obligations.
Evaluating solvency for short- and long-term obligations.
Analyzing profitability to ascertain profit-generation capability.
Gauging stability, considering timely debt and interest payments.

METHOD
The research method contains:

Data Type, Research methods are a scientific way to acquire data for specific purposes and uses, as outlined by Sugiyono (2012). In this study, the author employed a quantitative research method, specifically utilizing the audited financial statements of PT PELAT TIMAH NUSANTARA Tbk (NIKL) for the years 2020-2021. (The financial statements have been downloaded in the form of an attached PDF file.)

Data Sources, The data source employed in this study is secondary data, encompassing information that has been published by PT PELAT TIMAH NUSANTARA Tbk (NIKL) through sources such as the internet, books, and relevant research journals.

Data Collection Techniques, The data collection techniques employed in this study include:

Literature Research or Literacy Studies: This involves gathering information and data from books, digital media, official internet websites, and scholarly papers related to the issues addressed in this research.

Documentation: This entails using official information derived from the company's Financial Statements concerning its financial performance.

The population under examination in this study comprises the financial statements of PT PELAT TIMAH NUSANTARA Tbk (NIKL) for the period of 2020-2021.

Sample, The sample utilized in this comprehensive research comprises the financial statements, including the Balance Sheet and Profit and Loss Statement, of PT PELAT TIMAH NUSANTARA Tbk (NIKL) for the years 2020-2021.

Data Analysis Methods, The data analysis approach employed in this research is the descriptive statistical analysis method. This technique involves collecting data and accurately describing it without making assumptions or drawing public conclusions. The study employs financial ratios in line with accounting standards, with a thorough explanation provided in the subsequent chapter.

RESULTS AND DISCUSSION

This section contains data (in brief form), data analysis, and interpretation of the results. Results can be presented in tables or graphs to clarify the results verbally because sometimes the display of an illustration is more complete and informative than the display in narrative form.

Table 1. Overview of PT Pelat Timah Nusantara Tbk (NIKL) Financial Reports and Shares as of 31 December 2021

In United States Dollars

No.	Information	2020	2021
1	Net Sales	144,729,810	210,736,463
2	Cost of goods sold	134,948,618	191,416,428
3	Gross profit	9,781,192	19,320,035
4	Net Profit for the Year	2,718,077	5,862,823
5	Comprehensive Profit	2,510,407	6,197,418
6	Number of shares outstanding	2,523,350,000	2,523,350,000
7	Net Profit/(Loss) for the Year per Share	0.0011	0.0023
8	Net Working Capital	18,674,525	28,757,001
9	Total assets	131,925,108	187,753,934
10	Total Liabilities	83,540,030	133,171,438
11	Total Equity	48,385,078	54,582,494
12	Investment Amount	635,000	2,338,000
13	Gross Profit Margin	0.06758	0.09168
14	Comprehensive Profit Margin	1.73455	2.94084
15	Total Current Assets	99,134,511	159,537,110
16	Amount of Current Debt	80,459,986	130,780,109
17	Amount of stockpile	27,359,119	45,555,232
18	Amount of Cash and Cash Equivalents	14,858,890	27,822,257
19	Total Long Term Debt	3,080,044	2,391,329
20	Total Profit Before Tax and Interest	3,631,637	11,079,660
21	Total Interest Expense	1,172,002	1,691,795
22	Total Fixed Assets	27,361,708	27,413,114

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 2. Calculation of Current Ratio

Year	Current Assets (In US$)	Current Liabilities (In US$)	Current Ratio Calculation Results (In%)	Current Ratio Calculation Results (In Times)	Industry Standard Average Financial Ratios
2020	99,134,511	80,459,986	123.21	1.23	200% or 2 Times
2021	159,537,110	130,780,109	121.99	1.22	200% or 2 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 3. Quick Ratio Calculation

Year	Current Assets In US$	Inventory (In US$)	Current Liabilities (In US$)	Quick Ratio Calculation Results (In %)	Quick Ratio Calculation Results (In Times)	Industry Standard Average Financial Ratios
2020	99,134,511	27,359,119	80,459,986	89.21	0.89	150% or 1.5 Times
2021	159,537,110	45,555,232	130,780,109	87.16	0.87	150% or 1.5 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 4. Cash Ratio Calculation

Year	Cash and Cash Equivalents (In US$)	Current Liabilities (In US$)	Cash Ratio Calculation Results (In%)	Industry Standard Average Financial Ratios
2020	14,858,890	80,459,986	18.47	50%
2021	27.822.257	130,780,109	21.27	50%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 5. Calculation of Cash Turnover Ratio

Year	Net Sales (In US$)	Net Working Capital (In US$)	Cash Turnover Ratio Calculation Results (In Times)	Industry Standard Average Financial Ratios
2020	144,729,810	18,674,525	7,75	10 Times
2021	210,736,463	28,757,001	7,33	10 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 6. Calculation of Inventory to net working capital ratio

Year	Inventory (In US$)	Current Assets (In US$)	Current Liabilities (In US$)	Calculation results of Inventory to net working capital ratio (In times)	Industry Standard Average Financial Ratios
2020	27,359,119	99,134,511	80,459,986	1.47	12 Times
2021	45,555,232	159,537,110	130,780,109	1.58	12 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 7. Calculation of Debt Ratio (Debt Ratio)

Year	Total Assets (In US$)	Amount of Debt (In US$)	Result of Debt Ratio Calculation (In %)	Industry Standard Average Financial Ratios
2020	131,925,108	83,540,030	63.32	35%
2021	187,753,934	133,171,438	70.93	35%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 8. Calculation of Debt to Equity Ratio

Year	Total Equity (In US$)	Amount of Debt (In US$)	Debt to Equity Ratio Calculation Results (In%)	Industry Standard Average Financial Ratios
2020	48,385,078	83,540,030	172.66	80%
2021	54,582,494	133,171,438	243.98	80%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processe

Table 9. Calculation of Long Term Debt to Equity Ratio

Year	Total Equity (In US$)	Total Long Term Debt (In US$)	Long Term Debt to Equity Ratio Calculation Results (In%)	Industry Standard Average Financial Ratios
2020	48,385,078	3,080,044	6.37	10%
2021	54,582,494	2,391,329	4.38	10%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 10. Calculation of Interest Coverage Ratio (Times Interest Earned Ratio)

Year	Total Profit Before Tax and Interest (In US$)	Amount of Interest Expense (In US$)	Result of Calculation of Interest Coverage Ratio (Times Interest Earned Ratio) (In Times)	Industry Standard Average Financial Ratios
2020	3,631,637	1,172,002	3.10	10 Times
2021	11,079,660	1,691,795	6.55	10 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 11. Calculation of Fixed Charge Coverage Ratio

Year	Total Profit Before Tax and Interest (In US$)	Amount of Interest Expense (In US$)	Amount of Rental Liability (In US$)	Fixed Charge Coverage Ratio Calculation Results (In Times)	Industry Standard Average Financial Ratios
2020	3,631,637	1,172,002	432,171	3.26	10 Times
2021	11,079,660	1,691,795	470,765	6.12	10 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 12. Calculation of Inventory Turnover Ratio

Year	Cost of Goods Sold (In US$)	Inventory Amount (In US$)	Calculation Results of Inventory Turnover Ratio (In Times)	Industry Standard Average Financial Ratios
2020	134,948,618	27,359,119	4.93	20 Times
2021	191,416,428	45,555,232	4.30	20 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 13. Calculation of Working Capital Turnover Ratio

Year	Net Sales (In US$)	Net Working Capital (In US$)	Calculation Results of Working Capital Turnover Ratio (In Times)	Industry Standard Average Financial Ratios
2020	144,729,810	18,674,525	7.75	6 Times
2021	210,736,463	28,757,001	7.33	6 Times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 14. Calculation of Fixed Asset Turnover Ratio

Year	Net Sales (In US$)	Amount of Fixed Assets (In US$)	Fixed Asset Turnover Ratio Calculation Results (In Times)	Industry Standard Average Financial Ratios
2020	144,729,810	27,361,708	5.29	5 times
2021	210,736,463	27,413,114	7.69	5 times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 15. Calculation of Total Asset Turnover Ratio

Year	Net Sales (In US$)	Total Assets (In US$)	Calculation Results of Total Asset Turnover Ratio (In Times)	Industry Standard Average Financial Ratios
2020	144,729,810	131,925,108	1.10	2 times
2021	210,736,463	187,753,934	1.12	2 times

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 16. Calculation of the Gross Profit Margin Ratio

Year	Net Sales (In US$)	Total Gross Profit (In US$)	Calculation Results of the Gross Profit Margin Ratio (In %)	Industry Standard Average Financial Ratios
2020	144,729,810	9,781,192	6.76	30%
2021	210,736,463	19,320,035	9.17	30%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 17. Calculation of Net Profit Margin Ratio

Year	Net Sales (In US$)	Total Net Profit (In US$)	Net Profit Margin Ratio Calculation Results (In %)	Industry Standard Average Financial Ratios
2020	144,729,810	2,718,077	1.88	20%
2021	210,736,463	5,862,823	2.78	20%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 18. Calculation of Return on Investment Ratio

Year	Total Net Profit (In US$)	Total Assets (In US$)	Return On Investment Ratio Calculation Results (In %)	Industry Standard Average Financial Ratios
2020	2,718,077	131,925,108	2.06	30%
2021	5,862,823	187,753,934	3.12	30%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 19. Calculation of Return on Equity Ratio

Year	Total Net Profit (In US$)	Amount of Equity (In US$)	Calculation Result of Return On Equity Ratio (In %)	Industry Standard Average Financial Ratios
2020	2,718,077	48,385,078	5.62	40%
2021	5,862,823	54,582,494	10.74	40%

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

Table 20. Calculation of Earnings Per Share Ratio

Year	Total Net Profit (In US$)	Number of Outstanding Shares (In US$)	Earning Per Share Ratio Calculation Result	Industry Standard Average Financial Ratios
2020	2,718,077	2,523,350,000	0.0011	-
2021	5,862,823	2,523,350,000	0.0023	-

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

CONCLUSION

After the discussion of our research above, it can be concluded several things regarding the financial performance of PT Pelat Timah Nusantara Tbk (NIKL) as follows:

1. Liquidity ratio at PT Pelat Timah Nusantara Tbk (NIKL) in 2020-2021 is stated to be in a poor condition because it is at 2020-2021 is stated to be in a bad condition because it is below the average industry standard, so it is considered not good. below the average industry standard, it is considered unable to pay its short-term debts.

2. Profitability ratio at PT Pelat Timah Nusantara Tbk (NIKL) 2020-2021 experienced unfavorable conditions, including are Earnings-per-Share Ratio = 0.0023, also obtained a value of Return on Equity Ratio of 10.74, then it is below the industry standard average.industry standard average.

3. On the Solvency Ratio at PT. Pelat Timah Nusantara Tbk (NIKL), Based on the results of the analysis it can be concluded that the financial performance of PT. financial performance on the debt ratio and Debt to Equity Ratio or DER from 2020 to 2021, in a condition that is considered unfavorable.2020 through 2021, in a condition that is considered unfavorable because the numbers are above or exceed industry standards, However, TIER, Time Interest Earned Ratio & Fixed Charge Coverage Ratio are in good condition because they are above or exceed industry standards. Ratio are in good condition because they are below the average industry standard. industry standard. This means that the company can still fulfill budget for its long-term obligations.

4. The results of the analysis of the Activity Ratio at PT. Pelat Timah Nusantara Tbk (NIKL) is still considered not optimal, for the inventory turnover ratio and total asset turnover ratio in poor condition. inventory turnover ratio and total asset turnover ratio are in poor condition because they are below the industry standard average. good because it is below the average industry standard. However, the working capital turnover ratio and fixed asset turnover ratio (assets) are in good condition because they are above the average industry standard. in good condition because it is above / exceeds the average standard industry.

Table 21. Condition and Financial Performance Position of the Company PT Pelat Timah Nusantara Tbk NIKL in 2021

No	Ratio Type	Year 2020	Year 2021	Industry Standard Average Financial Ratios	Information on Financial Performance 2020	Information on Financial Performance 2021
1	Liquidity Ratio					
	a. Current Ratio	1.23	1.22	2 Times	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
	b. Quick Ratio	0.89	0.87	1.5 Timer	Poor because it is below the Industry	Poor because it is below the Industry

No	Ratio Type	Year		Industry Standard Average Financial Ratios	Information on Financial Performance	
		2020	2021		2020	2021
					Standard Average	Standard Average
	c. Cash Ratio	18.47	21.27	50%	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
	d. Cash Turnover Ratio	7.75	7.33	10 Timer	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
	e. Inventory to net working capital ratio	1.47	1.58	12%	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
2	Solvency Ratio					
	a. Debt Ratio	63.32	70.93	35%	Not Good because it is above/exceeds the Industry Standard Average	Not Good because it is above/exceeds the Industry Standard Average
	b. Debt to Equity Ratio	172.66	243.98	90%	Not Good because it is above/exceeds the Industry Standard Average	Not Good because it is above/exceeds the Industry Standard Average
	c. Long Term Debt To Equity Ratio (LTDtER)	6.37	4.38	10 Times	Good because it is below the Industry Standard Average	Good because it is below the Industry Standard Average
	d. Time Interest Earned Ratio	3.10	3.55	10 Times	Good because it is below the Industry Standard Average	Good because it is below the Industry Standard Average
	e. Fixed Charge Coverage Ratio	3.26	6.12	10 Times	Good because it is below the Industry Standard Average	Good because it is below the Industry Standard Average
3	Activity Ratio					
	a. Inventory Turnover Ratio	4.93	4.20	20 Times	Poor because it is below the Industry	Poor because it is below the Industry

No	Ratio Type	Year		Industry Standard Average Financial Ratios	Information on Financial Performance	
		2020	2021		2020	2021
					Standard Average	Standard Average
	b. Working Capital Turnover Ratio	7.75	7.33	6 Times	Good because it is above/exceeds the Industry Standard Average	Good because it is above/exceeds the Industry Standard Average
	c. Fixed Assets Turnover Ratio	5.29	7.69	5 Times	Good because it is above/exceeds the Industry Standard Average	Good because it is above/exceeds the Industry Standard Average
	d. Total Assets Turnover Ratio	1.10	1.12	2 Times	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
4	Profitability Ratio					
	a. Gross Profit Margin Ratio	6.76	9.17	30%	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
	b. Net Profit Margin Ratio	1.88	2.78	20%	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
	c. Return on Investment Ratio	2.06	3.12	30%	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
	d. Return on Equity Ratio	5.62	10.74	40%	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average
	e. Earnings per Share Ratio	0.0011	0.0023	-	Poor because it is below the Industry Standard Average	Poor because it is below the Industry Standard Average

Source: Financial Report of PT. Nusantara Tin Plates Tbk (NIKL) As of December 31, 2021, processed

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