

## Analysis of Financial Performance of Cigarette Companies Listed on the Indonesia Stock Exchange for the 2018-2022 Period

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### Abstract

This study aims to analyze the financial performance of the cigarette company PT. Gudang Garam Tbk, PT. Hanjaya Mandala Sampoerna Tbk, PT. Indonesian Tobacco Tbk, PT. Bentoel Internasional Investama Tbk, and PT. Wismilak Inti Makmur Tbk which is listed on the Indonesia Stock Exchange in 2018-2022. Using quantitative descriptive methods. The results of the study show that PT. Hanjaya Mandala Sampoerna Tbk and PT. Wismilak Inti Makmur Tbk has high liquidity, while PT. Gudang Garam Tbk has a high current ratio but a low quick ratio. Based on the solvency analysis of PT. Gudang Garam Tbk and PT. Wismilak Inti Makmur Tbk has a good performance, while PT. Hanjaya Mandala Sampoerna Tbk, PT. Bentoel Internasional Investama Tbk, and PT. Indonesian Tobacco Tbk tends to have a high debt ratio. PT. Hanjaya Mandala Sampoerna Tbk has efficiency in the use of assets and fast inventory turnover in contrast to PT. Bentoel Internasional Investama Tbk highlighted the rapid inventory turnover but has not been efficient in the use of assets. Meanwhile, PT. Gudang Garam Tbk, PT. Indonesian Tobacco Tbk, PT. Wismilak Inti Makmur showed poor performance of activities. Judging from profitability, it shows that the ROA and ROE of cigarette companies have not reached optimal levels or are in poor condition.

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## 1. Pendahuluan

The orientation of each company is to maximize profits and improve the company's performance and hopes that the future of its business can continue to run sustainably so that it is more advanced and develops and has a good business level (Soleha, 2022). Financial performance is very important for companies in any field, this is because the measurements taken can affect decision-making behavior in companies Adur et al. (2018). On the other hand, periodic evaluation is needed if the target is not met by determining the strategy used to improve the performance of the company (Zulfia, G., & Setyowati, T., 2023). Evaluation of company performance is considered important not only for the company's internal but also for various external stakeholders. In public companies, unsatisfactory performance can have an impact on stock market perception and shareholder decisions to buy or sell company shares (Kautsar, R. A. D. H. I. A. L., 2023). Financial analysis is used to assess the extent to which a company complies with applicable financial principles and carries out correct financial practices. The company and management can supervise every development of the business that is run, it is necessary to prepare records, bookkeeping and reports on all ongoing business activities" (Kasmir & Others, 2019).

Financial performance is the result of decisions made by management continuously to achieve certain goals effectively and efficiently Widianingsih et al (2021). Performance can also reflect the ability of a company or business field to manage and allocate its resources to achieve what has become the goal of the business. And also describes the achievement of the company's success as a result of what has been achieved for the activities or activities that have been carried out by the company (Yuniastuti M, 2017). Financial performance as work achievements in the financial sector that have been achieved by the company and are stated in the company's financial statements. (Nirawati et. al 2022 : 156).

Financial ratios are used as a measuring tool to measure business performance using the company's financial statements, corporate financial reporting data which includes balance sheet, profit and loss, change in capital and cash flow. The recording of expenses and receipts at the end of each accounting period is stated by the company in the financial statements consisting of balance sheets, income statements, capital change statements, and cash flow statements (Wati et.al 2022). One of the most important efforts made in the analysis of a company's financial statements is to conduct a Financial Ratio analysis to determine the level of liquidity, solvency, activity and profitability of the company. The analysis can provide information related to the state of the company in question, whether the company is good or bad, can be estimated about the survival of the company in question in the future(Yusrany et al., 2023).

It is important to examine the financial performance of the cigarette industry because the cigarette industry receives great profits from the public when selling and is one of the largest sources of income for the government through the imposition of tobacco excise, which is used to finance the needs of the state. The Coordinator of the National Committee for the Preservation of Kretek (KNPK) assesses that 2020 will be a tough year for the tobacco product industry (IHT). At the very least, there are two heavy loads that must be carried. First, the high excise rate policy of around 23% and an increase in retail selling price (HJE) by 35%. Second, the impact of the national economic crisis due to the Covid-19 pandemic. According to a report by the Ministry of Finance (Kemenkeu), cigarette production in Indonesia reached 323.9 billion cigarettes in 2022, a decrease of 3.26% compared to the previous year which reached 334.8 billion cigarettes. Cigarette production is projected to decline in the coming year, as the government plans to raise cigarette excise rates by 10% again in 2023 and 2024.

Indonesia is one of the leading tobacco producers in the world, so many companies in the cigarette sector are still operating today and have been listed on the Indonesian stock exchange. Among them are PT. Gudang Garam Tbk, PT. Hanjaya Mandala Sampoerna Tbk, PT. Indonesian Tobacco Tbk, PT. Bentoel Internasional Investama Tbk, and PT. Several previous studies related to the financial performance of cigarette companies, including Alif Julviani et al (2022), found that overall financial performance of PT. Gudang Garam was not good during the 2017-2021 period. Adur, M. D., Wiyani, W., & Ratri, A. M. (2019) found that the financial performance of PT. Gudang Garam Tbk, PT Handjayana Mandala Sampoerna Tbk, PT. Bentoel Internasional Investama Tbk, showed a fairly good financial performance, except for PT. Bentoel Investama Tbk must be

further improved because the *quick ratio* is still below standard. There are still various results of previous studies, so it is considered important to conduct a follow-up study on the cigarette company.

In this paper, there are problems that need to be answered, namely how the financial performance of cigarette companies listed on the Indonesia Stock Exchange in 2018-2022 is seen from the liquidity ratio, solvency ratio, activity ratio and profitability ratio. The purpose is to find out and analyze the financial performance of the cigarette company PT. Gudang Garam Tbk, PT. Hanjaya Mandala Sampoerna Tbk, PT. Indonesian Tobacco Tbk, PT. Bentoel Internasional Investama Tbk, and PT. Wismilak Inti Makmur Tbk which is listed on the Indonesia Stock Exchange in 2018-2022 using liquidity, solvency, activity and profitability ratio indicators.

## 2. Method

This type of research is quantitative descriptive. This research was conducted on cigarette companies listed on the Indonesia Stock Exchange (IDX) which provide data on the company's financial statements through the <https://www.idx.co.id/> website. The research time was conducted in May - July 2023 The collection technique was carried out through the analysis of financial statements, balance sheet statements, and income statements at cigarette companies listed on the Indonesia Stock Exchange during the 2018-2022 period.

Population and sample are cigarette companies listed on the Indonesia Stock Exchange with sample selection carried out through the purposive sampling method, which is sampling based on certain criteria set by the researcher. These criteria include: Cigarette sub-sector companies that publish financial statements as of December 31, 2018-2022 or annual financial statements, Financial statements presented in rupiah, Cigarette companies that are registered or listed on the IDX. The sample used in this study amounted to 5 cigarette companies, namely PT. Gudang Garam Tbk, PT. Hanjaya Mandala Sampoerna Tbk, PT. Bentoel Internasional investama Tbk, PT. Indonesian Tobacco Tbk, PT. Wismilak Inti Makmur Tbk.

The methods used in analyzing data about this research are 1). Data is taken from the financial statements of cigarette companies from 2018-2022 online through the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)) website. 2). Then analyze the financial statements using financial ratios based on the elements contained in the financial statements. The analysis tools used are Liquidity Ratio, Solvency Ratio, Activity Ratio and Profitability Ratio. 3). Calculating the financial ratio of each company, 4). Discuss the results of the company's financial performance analysis, 5). Draw conclusions.

## 3. Results and Discussion

### 3.1. Race Residue

The liquidity ratio is measured by calculating the *Current Ratio* and *Quick Ratio*, which is the ratio between the number of current assets and current debt owned by the company which shows the company's ability to meet its short-term obligations. The recapitulation of the results of the calculation of the liquidity ratio based on the *current ratio* and *quick ratio* for 2018-2022 in the cigarette company can be seen in the following table:

**Table 1. Recapitulation of the Liquidity Ratio calculation results Year 2018-2022**

Company Name	Year					Average
	2018	2019	2020	2021	2022	
<i>Current Ratio</i>						
PT. Gudang Garam Tbk.	206%	206%	291%	209%	190%	220%
PT. Hanjaya Mandala Sampoerna Tbk	430%	328%	245%	188%	169%	272%
PT. Bontoel International Investama Tbk	159%	191%	220%	170%	234%	194%
PT. Indonesian Tobacco Tbk	27%	64%	90%	88%	106%	75%
PT. Wismilak Inti Makmur	592%	602%	366%	293%	284%	427%
<i>Quick Ratio</i>						
PT. Gudang Garam Tbk.	31%	37%	57%	42%	27%	38%
PT. Hanjaya Mandala Sampoerna Tbk	258%	199%	137%	107%	94%	159%
PT. Bontoel International Investama Tbk	63%	88%	117%	105%	162%	107%
PT. Indonesian Tobacco Tbk	5%	3%	6%	11%	6%	6%
PT. Wismilak Inti Makmur Tbk	157%	251%	176%	136%	145%	173%

Based on the table above, it shows that the current ratio of PT. Gudang Garam Tbk produces an average of 220%, PT. Hanjaya Mandala Sampoerna Tbk by 272%, PT. Bontoel Internasional Investama Tbk by 194%, at PT. Indonesian Tobacco Tbk by 75% and PT. Wismilak Inti Makmur Tbk by 427%. From the average results of the calculation of liquidity ratios based on the current ratio to the five companies, PT. Wismilak Inti Makmur Tbk has the highest average *current ratio* of 427%, while PT. Indonesian Tobacco Tbk has the lowest average *current ratio* of 75%.

The results of the calculation of the liquidity ratio based on *the quick ratio* from 2018-2022, at PT. Gudang Garam Tbk produces an average *quick ratio* of 38%, PT. Hanjaya Mandala Sampoerna Tbk by 159%, PT. Bontoel Internasional Investama Tbk by 107% , PT. Indonesian Tobacco Tbk by 6% and at PT. Wismilak Inti Makmur Tbk by 173%. Of the five companies, PT. Wismilak Inti Makmur Tbk has the highest average *quick ratio* of 173%, while PT. Indonesian Tobacco Tbk has the lowest average *quick ratio* of 6%.

### 3.2. Solvency Ratio

The Solvency Ratio is measured using the *debt ratio and the Debt to Equity Ratio*, which is by comparing total debt and total assets. All debts owned by the company, both short-term and long-term. Where the higher *the Debt Ratio*, the more risky the company is. The recapitulation of the results of the solvency ratio calculation based on *the debt ratio and debt to equity ratio* in 2018-2022 is as follows:

**Table 2. Recapitulation of the Results of the Solvency Ratio Calculation for 2018-2022**

Company Name	Year					Average
	2018	2019	2020	2021	2022	
<i>Debt Ratio</i>						
PT. Gudang Garam Tbk.	35%	35%	25%	34%	35%	32%
PT. Hanjaya Mandala Sampoerna Tbk	24%	30%	39%	45%	49%	37%
PT. Bontoel International Investama Tbk	44%	51%	54%	38%	24%	42%
PT. Indonesian Tobacco Tbk	42%	41%	45%	38%	34%	40%
PT. Wismilak Inti Makmur	20%	20%	27%	30%	31%	25%
<i>Debt to Equity Ratio</i>						
PT. Gudang Garam Tbk.	53%	54%	34%	34%	53%	45%
PT. Hanjaya Mandala Sampoerna Tbk	32%	43%	64%	82%	94%	63%
PT. Bontoel International Investama Tbk	78%	102%	118%	62%	32%	78%
PT. Indonesian Tobacco Tbk	73%	68%	80%	62%	52%	67%
PT. Wismilak Inti Makmur Tbk	25%	26%	36%	43%	44%	34%

Based on the table above, it shows that the *debt ratio* from 2018-2022, PT. Gudang Garam Tbk produces an average of 32%, PT. Hanjaya Mandala Sampoerna Tbk by 37%, PT. Bontoel Internasional Investama Tbk by 42%, PT. Indonesian Tobacco Tbk by 42% and PT. Wismilak Inti

Makmur Tbk by 25%. Of the five companies, PT. Bontoel Internasional Investama Tbk and PT. Indonesian Tobacco Tbk has the highest average debt ratio of 42%, while PT. Wismilak Inti Makmur Tbk has the lowest average debt ratio of 25%.

The results of the calculation of the solvency ratio based on the debt to equity ratio from 2018-2022, PT. Gudang Garam Tbk produces an average debt to equity ratio of 45%, PT. Hanjaya Mandala Sampoerna Tbk 63%, PT. Bontoel Internasional Investama Tbk by 78% , PT. Indonesian Tobacco Tbk by 67% and PT. Wismilak Inti Makmur Tbk by 34%. From the average calculation results of the ratio based on the *debt to equity ratio* to the five companies, PT. Bontoel Internasional Investama Tbk has the highest average *debt to equity ratio* of 78%, while PT. Wismilak Inti Makmur Tbk has the lowest average *debt to equity ratio* of 34%.

### 3.3. Activity Ratio

The activity ratio is measured by *Total Asset Turnover* and *Inventory Turnover*. Where the greater the asset turnover, the more effectively the company manages its assets. The recapitulation of the results of the calculation of the Activity ratio based on *Total asset turnover* and *Inventory turnover* in 2018-2022 is as follows:

**Table 3. Recapitulation of the Results of the Calculation of the Activity Ratio in 2018-2022**

Company Name	Year					Average
	2018	2019	2020	2021	2022	
<i>Total Asset Turnover</i>						
PT. Gudang Garam Tbk.	1,39	1,41	1,46	1,39	1,41	1,41
PT. Hanjaya Mandala Sampoerna Tbk	2,29	2,08	1,86	1,86	2,03	2,02
PT. Bontoel International Investama Tbk	1,47	1,23	1,11	0,90	0,76	1,07
PT. Indonesian Tobacco Tbk	0,38	0,37	0,44	0,45	0,50	0,42
PT. Wismilak Inti Makmur	1,21	1,07	1,24	1,45	1,71	1,33
<i>Inventory Turnover</i>						
PT. Gudang Garam Tbk.	2,00	2,05	2,43	2,33	2,38	2,23
PT. Hanjaya Mandala Sampoerna Tbk	5,35	4,88	4,07	4,61	5,12	4,80
PT. Bontoel International Investama Tbk	3,15	2,84	3,24	3,56	4,14	3,38
PT. Indonesian Tobacco Tbk	3,35	1,44	1,23	1,44	1,43	1,77
PT. Wismilak Inti Makmur Tbk	1,48	1,74	2,05	2,44	3,18	2,17

The results of the calculation of the activity ratio based on *total asset turnover* from 2018-2022, PT. Gudang Garam Tbk generated an average *total asset turnover* of 1.41 times, PT. Hanjaya Mandala Sampoerna Tbk by 2.02 times, PT. Bontoel Internasional Investama Tbk by 1.07 times, PT. Indonesian Tobacco Tbk by 0.42 times and PT. Wismilak Inti Makmur Tbk by 1.33 times. Of the five companies, PT. Hanjaya Mandala Sampoerna Tbk has the highest average *total asset turnover* of 2.02 times, while PT. Indonesian Tobacco Tbk has the lowest average *total asset turnover* of 0.42 times.

Based on *inventory turnover* from 2018-2022, PT. Gudang Garam Tbk produced an average *inventory turnover* of 2.23 times, PT. Hanjaya Mandala Sampoerna Tbk by 4.80 times, PT. Bontoel Internasional Investama Tbk by 3.38 times, PT. Indonesian Tobacco Tbk by 1.77 times and PT. Wismilak Inti Makmur Tbk by 2.17 times. Of the five companies, PT. Hanjaya Mandala Sampoerna Tbk has the highest average *inventory turnover* of 4.80 times, while PT. Indonesian Tobacco Tbk has the lowest average *inventory turnover* of 1.77 times.

### 3.4. Profitability Ratio

The profitability ratio is measured by calculating the Return on assets (ROA) and Return On Equity ratio (ROE). ROA is a comparison between the company's net profit and total assets multiplied by one hundred percent. Return on assets (ROA) or asset return rate is a ratio to assess the percentage of profit earned by a company related to resources or total *assets* so that the efficiency of a company in managing its assets can be seen from the percentage obtained. Return On Equity ratio (ROE) is a

profitability ratio used to assess a company's ability to generate profits from the company's shareholder investment expressed in percentages. The results of the calculation of the Profitability ratio based on *Retrun on Asset* and *Retrun on Equity* in 2018-2022 are as follows:

**Table 4. Recapitulation of the Profitability Ratio Calculation Results for 2018-2022**

Company Name	Year					Average
	2018	2019	2020	2021	2022	
	LENGTH (%)					
PT. Gudang Garam Tbk.	11	14	10	6	3	8,8
PT. Hanjaya Mandala Sampoerna Tbk	29	27	17	13	12	19,6
PT. Bontoel International Investama Tbk	-4	0	21	0	11	5,6
PT. Indonesian Tobacco Tbk	2	-2	1	3	4	1,6
PT. Wisnilak Inti Makmur	4	2	11	9	12	7,6
	ROE%					
PT. Gudang Garam Tbk.	17	21	13	9	5	13
PT. Hanjaya Mandala Sampoerna Tbk	38	38	28	24	22	30
PT. Bontoel International Investama Tbk	-7	1	-47	0	14	7,8
PT. Indonesian Tobacco Tbk	4	-3	2	6	7	3,23
PT. Wisnilak Inti Makmur Tbk	5	3	15	13	17	10,6

Based on the table above the results of the calculation of the profitability ratio based on ROA from 2018-2022, PT. Gudang Garam Tbk produces an average ROA of 8.8%, PT. Hanjaya Mandala Sampoerna Tbk by 19.6%, PT. Bontoel Internasional Investama Tbk by 5.6%, PT. Indonesian Tobacco Tbk by 1.6% and PT. Wisnilak Inti Makmur Tbk 7.6%. Of the five companies, PT. Hanjaya Mandala Sampoerna Tbk has the highest average ROA of 19.6%, while PT. Indonesian Tobacco Tbk has the lowest average ROA of 1.6%.

Table 4 above shows the results of the calculation of the profitability ratio based on ROE from 2018-2022, PT. Gudang Garam Tbk produced an average ROE of 13%, PT. Hanjaya Mandala Sampoerna Tbk by 30%, PT. Bontoel Internasional Investama Tbk by 7.8%, PT. Indonesian Tobacco Tbk by 3.23% and PT. Wisnilak Inti Makmur Tbk by 10.6%. Of the five companies, PT. Hanjaya Mandala Sampoerna Tbk has the highest average ROE of 30%, while PT. Indonesian Tobacco Tbk has the lowest average ROE of 3.23%.

### 3.5. Discussion

#### 3.5.1. Current Ratio

The liquidity ratio measured by the *current ratio* in cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022) is known that the liquidity ratio based on *the current ratio* in each company has fluctuated in increasing and decreasing. PT. Gudang Garam Tbk, If you look at the overall average *current ratio* of PT. Gudang Garam Tbk, for five years (2018-2022) of 220%, means that the company has the ability to pay its short-term obligations because the *current ratio* is above the industry standard average. PT. Hanjaya Mandala Sampoerna Tbk when viewed as a whole, the average *current ratio*, for five years (2018-2022) is 272%, thus PT. Hanjaya Mandala Sampoerna Tbk, has the ability to meet its short-term obligations, because the *current ratio* is above the industry standard average. PT. Bontoel Internasional Investama Tbk showed the results of *the current ratio*. Overall, the average *current ratio* of PT. Bontoel Internasional Investama Tbk, for five years (2018-2022) of 194%, thus PT. Bontoel International Investama was unable to pay off its short-term liabilities, as the *current ratio* was below the industry standard average. PT. Indonesian Tobacco Tbk showed a *current ratio* for five years (2018-2022) of 75%, thus PT. Bontoel International Investama is unable to meet its short-term obligations as the *current ratio* is below the industry standard average. PT. Wisnilak Inti Makmur Tbk, for five years (2018-2022) of 427%, thus the company is

able to fulfill its short-term obligations very well because the *current ratio* is above the industry standard average.

### 3.5.2. Quick Ratio

Liquidity ratio measured by *quick ratio* In cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022), it is known that the liquidity ratio based on *quick ratio* In each company, it has fluctuated in and decreased. When viewed from the *quick ratio* for the past five years, PT. Gudang Garam Tbk when viewed as a whole *quick ratio* PT. Gudang Garam Tbk, for five years at 38%, means that the company does not have the ability to meet its short-term obligations because it is below the industry average standard. PT. Hanjaya Mandala Sampoerna Tbk, overall average *quick ratio* PT. Hanjaya Mandala Sampoerna Tbk, for five years (2018-2022) of 159%, means that the company has the ability to meet its short-term obligations because it is above the average industry standard. PT. Bontoel Internasional Investama Tbk, If viewed as a whole average *quick ratio* PT. Bontoel Internasional Investama Tbk, for five years (2018-2022) at 107%, meaning that the company has not been able to meet its short-term obligations because it is below the industry average standard. PT. Indonesian Tobacco Tbk, from 2018 to 2022 shows that the company does not have the ability to meet its short-term obligations, because it is below 150% which is the industry standard. Even if the average result *quick ratio* PT. Indonesian Tobacco Tbk for five years (2018-2022) has generated an average of 6%, meaning that the company has not been able to meet its short-term obligations, because *quick ratio* very low or below the industry standard. PT. Wismilak Inti Makmur Tbk, produced calculations *quick ratio* over five years (2018-2022) yielded an average *quick ratio* of 173%, meaning that the company has the ability to fulfill its short-term obligations, because *quick ratio* is above industry standards.

### 3.5.3. Solvency Ratio

#### 1) Debt Ratio

The solvency ratio measured by *the debt ratio* in cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022) is known that the solvency ratio based on *the debt ratio* in each company has fluctuated in and out. When viewed from the *debt ratio* over the last five years (2018-2022), PT. Gudang Garam Tbk, the company's performance is in good condition due to the company's ability to finance itself without the need to be too dependent on debt. As for the average debt ratio results of PT. Gudang Garam Tbk, in five years (2018-2022) produced a debt ratio of 32% which shows that the company is in good condition. PT. Hanjaya Mandala Sampoerna Tbk, produced a debt ratio calculation in five years (2018-2022) resulting in a debt ratio of 37% which shows that the company is in poor condition.

PT. Bontoel Internasional Investama Tbk, produced a debt ratio calculation in five years (2018-2022) resulting in a debt ratio of 42% which shows that the company is in poor condition. PT. Indonesian Tobacco Tbk, produced a *debt ratio calculation* in five years (2018-2022) resulting in a *debt ratio* of 40% which shows that the company is in poor condition. PT. Wismilak Inti Makmur Tbk, produced a *debt ratio* calculation in five years (2018-2022) resulting in a *debt ratio* of 25% which shows that the company is in good condition.

#### 2) Debt to Equity Ratio

The solvency ratio measured by *the debt to equity ratio* in cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022) is known that the solvency ratio based on *the debt to equity ratio* in each company has fluctuated in and outdated, except for PT. Hanjaya Mandala Sampoerna Tbk. Which is where the *debt to equity ratio* tends to increase. When viewed from the *debt to equity ratio* over the past five years, PT. Gudang Garam Tbk, in five years (2018-2022) produced a *debt to equity ratio* of 45% which shows that the company is in good condition. PT. Hanjaya Mandala Sampoerna Tbk, in five years (2018-2022) produced a *debt to equity ratio* of 63% which shows that the company is in good condition. PT. Bontoel Internasional Investama Tbk, in five years (2018-2022) produced a *debt to equity ratio* of 78% which shows that the company is in quite good condition. PT.

Indonesian Tobacco Tbk, in five years (2018-2022) produced a *debt to equity ratio* of 67% which shows that the company is in good condition. PT. Wismilak Inti Makmur Tbk, in five years (2018-2022) produced a *debt to equity ratio* of 34% which shows that the company is in good condition.

### 3.5.4. Activity Ratio

#### 1) Total Asset Turnover

The activity ratio measured by *the total asset turnover* in cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022) is known that the activity ratio based on *the total asset turnover* in each company has fluctuated in and decreased. When viewed from *the total asset turnover* over the last five years (2018-2022) PT. Gudang Garam Tbk, for five years (2018-2022) was 1.41 times, which means that it is still below industry standards or not good. PT. Hanjaya Mandala Sampoerna Tbk, for five years (2018-2022) is 2.02 times which means above industry standards or good. PT. Bontoel Internasional Investama Tbk, for five years (2018-2022) was 1.07 times, which means that it is still below industry standards or not good. PT. Indonesian Tobacco Tbk, for five years (2018-2022) was 0.42 times, which means that it is still below industry standards or not good. PT. Wismilak Inti Makmur Tbk, for five years (2018-2022) amounted to 1.33 times, which means that it is still below industry standards or not good.

#### 2) Inventory Turnover

The activity ratio measured by *inventory turnover* in cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022) is known that the activity ratio based on *inventory turnover* in each company has increased and decreased while fluctuating. When viewed from *inventory turnover* over the last five years (2018-2022) PT. Gudang Garam Tbk, for five years (2018-2022) was 2.23 times, which means that it is still below industry standards or not good. This means that companies are still less efficient in managing inventory. PT. Hanjaya Mandala Sampoerna Tbk, for five years (2018-2022) has been above industry standards or above 3.4 times which is an industry standard. This means that the company has a fast inventory turnover. If you look at the average *inventory turnover* results of PT. Hanjaya Mandala Sampoerna Tbk for five years (2018-2022) is 4.80 times, which means positive or good. PT. Bontoel Internasional Investama Tbk, for five years (2018-2022) amounted to 3.38 times, which means positive or good. PT. Indonesian Tobacco Tbk, for five years (2018-2022) was 1.77 times, which means that it is below industry standards or not good. PT. Wismilak Inti Makmur Tbk, for five years (2018-2022) amounted to 2.17 times, which means that it is below industry standards or not good.

### 3.5.5. Profitability Ratio

#### 1) Return on Asset

The profitability ratio measured by *the return on assets* in cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022) is known that the profitability ratio based on *return on assets* in each company has fluctuated in and outdated. When viewed from the *return on assets* over the last five years (2018-2022), PT. Gudang Garam Tbk, for five years (2018-2022) was 8.8%, which means that it is below industry standards or not good. PT. Hanjaya Mandala Sampoerna Tbk, for five years (2018-2022) at 19.6%, which means that it is below industry standards or not good. PT. Bontoel Internasional Investama Tbk, for five years (2018-2022) has been below industry standards or below 30% which is an industry standard. Because the company did not generate adequate profits from the assets it owned, even the *return on assets* in 2018 was -4% which shows that the company suffered significant losses from the assets it owns. If you look at the average *return on assets* over five years (2018-2022) of 5.6%, which means that it is below industry standards or not good. PT. Indonesian Tobacco Tbk, for five years (2018-2022) has been below industry standards or below 30% which is the industry standard. Because the company does not generate adequate profits from the assets it owns, even the *return on assets* in 2019 is -2% which shows that the company has suffered significant losses from the assets owned. If you look at the average *return on assets* for five years (2018-2022) of 1.6%, which means that it is below industry standards or not good. PT. Wismilak

Inti Makmur Tbk, for five years (2018-2022) has been below industry standards or below 30% which is the industry standard. Because the company does not make adequate profits from the assets it owns. If you look at the average return *on assets* for five years (2018-2022) of 7.6%, which means that it is below industry standards or not good.

## 2) Return on Equity

The profitability ratio measured by *the return on equity* in cigarette companies listed on the Indonesia Stock Exchange for five years (2018-2022) can be seen in table 46, it is known that the profitability ratio based on *the return on equity* in each company has increased and decreased while fluctuating. If you look at the *return on equity* over the last five years, PT. Gudang Garam Tbk, for five years (2018-2022) was 13%, which means that it is below industry standards or not good. PT. Hanjaya Mandala Sampoerna Tbk, for five years (2018-2022) of 3.23%, which means that it is below industry standards or not good. PT. Wismilak Inti Makmur Tbk, for five years (2018-2022) was 10.6%, which means that it is below industry standards or not good.

## 4. Conclusion

Analysis of the liquidity ratio in cigarette companies shows that PT. Hanjaya Mandala Sampoerna Tbk, and PT. Wismilak Inti Makmur Tbk has a high current ratio and quick ratio, indicating that the two companies have sufficient ability to meet their short-term or most liquid obligations. PT. Gudang Garam Tbk, shows a fairly high current ratio but the quick ratio shows very low results. Meanwhile, at PT. Bontoel Internasional Investama Tbk and PT. Indonesian Tobacco Tbk, is a cigarette company that has low current ratio and quick ratio results or a company that is not liquid or has difficulty in fulfilling its short-term obligations.

The solvency ratio analysis shows that the debt ratio of PT. Gudang Garam Tbk and PT. Wismilak Inti Makmur Tbk can be said to be good because it has a low percentage while PT. Hanjaya Mandala Sampoerna Tbk, PT. Bontoel Internasional Investama Tbk, PT. Indonesian Tobacco Tbk showed a high debt ratio percentage or in poor condition. The company is said to be in good condition if the percentage of its solvency ratio is getting smaller.

Activity ratio analysis shows that PT. Hanjaya Mandala Sampoerna Tbk, has good performance/efficiency in the use of its assets and a fast inventory turnover. PT. Bontoel Investama, which also shows a rapid turnover of inventory, but has not been efficient in using its assets. Meanwhile, PT. Gudang Garam Tbk, PT. Wismilak Inti Makmur Tbk, and PT. Indonesian Tobacco Tbk, has a poor performance.

The analysis of the overall profitability ratio of the five cigarette companies is not good from the results of the ROA and ROE analysis shows that the achievement of profitability levels is less than optimal in generating profits.

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