

## ANALYSIS OF FINANCIAL PERFORMANCE OF PT. TELEKOMUNIKASI INDONESIA TBK 2017-2019

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### Abstract

The study aimed to assess the financial performance of PT. Telekomunikasi Indonesia Tbk for the 2017-2019 period based on the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002. The data collection technique used was documentation, analyzing financial reports for the specified period. The results indicated that in 2017, the company's financial performance was categorized as "unwell" with a rating of BBB. In 2018, it was also classified as "unwell" with a rating of BB. In 2019, PT Telekomunikasi Indonesia Tbk was predicted to be in the "unwell" category with a rating of BBB. These assessments were based on predetermined indicators outlined in the aforementioned decree. The findings aim to provide valuable insights and information for the company to enhance its financial performance in the future.

**Keywords:** *Financial Performance, Decree of the Minister of State-Owned Enterprises Number: KEP-100/Mbu/2002*

### 1. INTRODUCTION

The development of the business world today is an era of intense competition between companies. Every company must develop its competitive advantage in order to survive and advance the company. One of the advantages that need to be developed by the company is company's financial performance. If the results of the company's performance appraisal are healthy, the company will be able to compete with other companies financial performance is a picture of a company's financial condition in a certain period, both in terms of raising funds as well as distribution of funds, which are usually measured by indicators of capital adequacy, liquidity, and profitability (Jumingan, 2006). The company's financial performance is an achievement achieved by the company in a certain period that reflects the level of soundness of the company (Sutrisno, 2009). Financial Performance According to Prastowo cited by Putri Hidayatul Fajrin (2016) states elements of a company's financial performance are elements that are directly related to measuring company performance presented in the income statement, net income is often used as a performance measure or part of the basis for other measures.

According to Fidayatin (2012: 205) quoted by Aringga (2017) "a healthy company will later be able to provide profits for the owners of capital, a healthy company can also pay debts on time". In addition, the financial performance of a company that has been achieved in one year or one period of time is a reflection of whether a company is healthy or not. By measuring financial performance, it can be seen the prospects for growth and development of the company's finances. The company is said to be successful if the company has achieved a certain performance. PT. Telekomunikasi Indonesia Tbk (Telkom) is one of the state-owned enterprises engaged in telecommunications and network services in the territory of Indonesia. This company provides a variety of communication services including telephone network interconnection, multimedia, data and services related to internet communication, transponder leasing satellite, leased lines, pay television and VoIP services. Same thing with companies in general, PT. Telekomunikasi Indonesia Tbk (Telkom) is also experiencing quite tight competition. One of its competitors is PT.

Hutchison 3 Indonesia. High competition and limited demand make PT. Telekomunikasi Indonesia is challenged to continue to innovate and maintain its quality to be able to continue to compete. The development of the telecommunications industry in 2017, the future evolution has experienced extremely rapid changes, throughout 2017, PT. Telkom Indonesia (Persero) managed to record a satisfactory performance.

The telecommunications industry witnessed rapid development with the introduction of 5G technology, impacting both retail and industrial sectors. Companies that embraced this new technology have the opportunity to cater to global companies seeking high-speed and low-latency services. However, making digital business a profitable revenue stream posed challenges, leading some operators to discontinue due to high load costs that negatively impacted EBITDA. Development telecommunications industry in 2019. Telkom's business will be rapid in the telecommunications industry. There are several factors, namely the trend of people's habits connected to internet services opens up opportunities Telkom continued data revenue growth. Secondly, in the first half of this year, presidential and legislative elections will be held which are predicted to increase traffic for data usage and consumption. Third, Telkom's other business, namely, Indihome, Indihome products are divided into three, namely, *single pay*, *dual pay*, *triple pay*. predicted to continue to grow. And finally, development Telecommunications infrastructure such as increasing the number of BTS is predicted to be able to strengthen Telkom's market share.

PT Telekomunikasi Indonesia (Persero) Tbk. has been performing well during the Covid-19 pandemic, with no significant impact on its business continuity or financial condition. Although there were challenges in installing Indihome due to physical restrictions, the overall business continuity remained strong. The company's financial statements, including income statements, reports on changes in capital, balance sheets, cash flows, and notes to financial statements, provide a comprehensive evaluation of its financial performance and achievements during the period. To assess the company's financial statements, the following financial ratios can be used: Liquidity Ratio, the ratio that shows the company's ability to meet its short-term obligations, the Solvency ratio to determine the company's ability to pay long-term liabilities and companies that are liquidated. This ratio shows an indication of the level of security of the lenders. Activity Ratio This ratio aims to measure the company's effectiveness in operating funds. (Harahap, 2013: 297). Profitability Ratio, the ratio used to measure a company's ability to make a profit through all existing capabilities and sources such as sales activities, cash, capital, number of employees, number of branches and so on.

For can seeing the business development of PT. Telekomunikasi Indonesia Tbk, you can see the development of assets, debt and capital in the last 3 (years), namely 2017 to 2019 as follows: In 2017-2019 Current assets Rp. 47,561 billion, Rp. 43,268 billion, Rp. 41.722 billion. Fixed assets from 2017-2019, namely Rp. 150,923 billion, Rp. 162,928 billion, IDR 179,486. short-term debt in 2017 of Rp. 45,376 billion, 2018 which is IDR 46,641 billion and 2019 IDR.58.396 billion. Long-term debt in 2017 amounted to IDR 40,978 billion, 2018 amounted to IDR. 42,632 billion, 2019 amounting to Rp. 45. 589 billion. And the capital in 2017 is Rp. 112,130 billion, 2018 Rp. 117,303 billion, 2019 Rp. 117,250. From the explanation above, it gives an illustration that the financial condition of PT. Telekomunikasi Indonesia Tbk, especially in current assets, has decreased in 2019. This is due to the impact of a decrease in current assets, other current financial assets, a decrease in other receivables, a decrease in assets available for sale. Fixed assets for three years have increased, where a very large increase occurred in 2019 of Rp. 179.486 billion. Due to an increase in fixed assets, an increase in intangible assets, an increase in unearned income, and an increase in expenses to be carried.

Short-term debt has increased, especially in 2019, namely Rp. 58,369 billion due to an increase in short-term bank debt, an increase in tax debt and an increase in long-term loans. Long-term debt has increased for three years, especially in 2019 of Rp. 45,589 billion due to an increase in estimated liabilities (liabilities with uncertain timing and amount) and an increase in non-current assets. Capital is crucial for the operational activities of a company, including PT. Telekomunikasi

Indonesia Tbk. In 2019, the company's capital decreased by Rp. 117,250 billion, influenced by non-controlling interests and total retained earnings.

The sales figures for PT Telkom were as follows: Rp. 128.256 billion in 2017, Rp. 130.784 billion in 2018, and Rp. 135.567 billion in 2019. The costs incurred by PT Telkom were: Rp. 84.093 billion in 2017, Rp. 93.009 billion in 2018, and Rp. 93.913 billion in 2019. The comprehensive profit or loss for the respective years were: Rp. 30.369 billion in 2017, Rp. 31.921 billion in 2018, and Rp. 25.400 billion in 2019. Telkom records that sales have increased every year. The biggest increase was in 2019 of Rp. 135.567 billion. This increase was due to data, internet and technology services revenues as well as Indihome revenues. On the other hand, costs increased in 2019 by Rp. 93,913 billion due to growth in expenses. Comprehensive profit decreased in 2019 to Rp.25,400 billion.

## 2. IMPLEMENTATION METHOD

The object of this research takes the object of PT Telekomunikasi Indonesia Tbk. With research data obtained from the Indonesian Stock Exchange website ([www.idx.co.id](http://www.idx.co.id)). This research is type evaluation research. Mudrajat Kuncoro (2003: 6) states that evaluation research is research that is expected to provide input or support decision making about the relative value of two or more alternative actions. The purpose of this research is to find out and evaluate the financial performance of PT Telekomunikasi Indonesia. The data collected in this research is quantitative data. Quantitative data is data obtained in the form of numbers such as the company's financial statements for Tbk for the 2017-2019 period. The data source for this paper is secondary data obtained from the financial statements of PT Telekomunikasi Indonesia Tbk for the period of 2017-2019. The data was collected from the official website of the Indonesia Stock Exchange (IDX) at [www.idx.co.id](http://www.idx.co.id). The operational definitions of the five ratios are liquidity ratios, solvency ratios, activity ratios, profitability ratios and market ratios. Technical data analysis in this study is based on financial ratios and then to determine whether the category is healthy or not, the standards set out in the Decree of the Minister of BUMN Number: KEP-100/MBU/2002 are used in terms of financial

## 3. RESULTS AND DISCUSSION

Data analysis used in this research is assessing financial performance based on financial ratios and the ratios used are ROE, ROI, Cash Ratio, Collection Periods, Inventory Turnover, Total Asset Turnover, TATO, Equity Ratio to Total Assets and Earning Per Share (EPS)

**Table 3.1 Calculation Current Ratio**

Year	Current Assets (Rp)	Current Liabilities (Rp)	Current Ratio (%)	Weight
2017	47.561	45.376	1,04	0
2018	43.268	46.261	0,93	0
2019	41.722	58.369	0,71	0

*Source: Data processed by researchers in 2020*

In 2017, the company had a current ratio of 1.04%, indicating its inability to fully cover current debts with current assets. This resulted in a score of 0 based on the Minister of BUMN's decree. In 2018, the current ratio was 0.93%, showing that the company was not effectively utilizing its cash. It also did not achieve the maximum score according to the decree. In 2019, the current ratio was 0.71%, indicating the company's inability to fully repay current debts with its existing assets. The score obtained was 0, falling short of the maximum score specified in the decree.

**Table 3.2 Calculation Cash Ratio**

Year	Cash, Bank and Short Term Securities (IDR)	Current Liabilities (Rp)	Find out who (%)	Weight
2017	130.475	45.376	2,87	0
2018	120.291	46.261	2,61	0
2019	121.765	58.369	2,08	0

Source: Data processed by researchers in 2020

In 2017, the cash ratio was 2.87%, indicating that the company's cash funds were insufficient to fully cover current debts. The cash ratio did not meet the Ministerial Decree standard of 35%. In 2018, the cash ratio decreased to 2.61%, reflecting a decline in cash acquisition and an increase in current liabilities. This suggests unhealthy spending habits. In 2019, the cash ratio improved to 2.08%, showing an increase in the company's ability to provide cash funds and meet short-term obligations. However, it still fell short of the standard score. Overall, the liquidity ratios from 2017-2019 indicate that the company struggled to meet its current obligations, suggesting possible difficulties and lower performance due to limited current asset.

**Table 3.3 Calculation of PP**

Year	Total inventory (IDR)	Total Operating Income (Rp)	PP (day)	Weight
2017	631	128.256	1,7	5
2018	717	130.784	2,0	5
2019	585	135.567	1,5	5

Source: Data processed by researchers in 2020

The inventory turnover rate of PT. Telekomunikasi Indonesia Tbk in 2017 was 1.7 days, scoring a perfect 5. In 2018, the inventory turnover improved to 2.0 days, also scoring a 5. In 2019, the inventory turnover remained at 1.5 days, maintaining a score of 5. These figures indicate an increase in inventory turnover over the years, reflecting a faster turnover time. A shorter turnover time signifies efficient inventory management and operational effectiveness, leading to improved revenue generation

**Table 3.4 TATO Calculation**

Year	Total revenue (IDR)	Capital employed (Rp)	THIS (%)	Weight
2017	172.189	47.561	3,6	1,5
2018	132.800	43.268	3,0	1,5
2019	137.485	41.722	3,2	1,5

Source: Data processed by researchers in 2020

Total Asset Turnover Ratio PT. Telekomunikasi Indonesia Tbk in 2017-2019 is below the BUMN standard because a good TATO according to BUMN standards is above 105% or <= 120% has an assessment score of 5. This indicates that the company has not utilized its assets to generate good profits when compared to the larger the value of the assets owned by the company.

**Table 3.5 Calculation of CP**

Year	Total Trade Receivables (IDR)	Total income Business(Rp)	CP (day)	Weight
2017	9.222	128.256	26,2	5
2018	11.414	130.784	31,8	5
2019	11.797	135.567	31,7	5

*Source: Data processed by researchers in 2020*

The company's Collection Periods from 2017 to 2019 met the BUMN standards of 60 days, scoring a perfect 5 each year. The Collection Periods in 2017, 2018, and 2019 were 26.2 days, 31.8 days, and 31.7 days respectively. This indicates that the company efficiently disbursed trade receivables, enabling quicker access to capital. The consistent score of 5 suggests improving performance and excellent financial performance in terms of activity ratios, which measure sales and investment in all assets owned.

**Table 3.6 Calculation of TMS to TA**

Year	Total Own Capital (Rp)	Total Assets (Rp)	TMS thp TA (%)	Weight
2017	69.559	198.484	35	10
2018	75.658	206.196	36	10
2019	76.152	221.208	34	10

*Source: Data processed by researchers in 2020*

The ratio of Own Capital to Asset Capital (TMS) has a good indicator with a percentage of  $30 \leq X < 40$  score 10. The ratio of Own Capital to Asset Capital (TMS) of companies tends to increase. This is due to the high equity of total assets. This ratio to TA serves to measure the source offinancing debt as fixed cost financing. The solvency ratio from 2017 to 2019 shows that the company's performance is very good, seen from the total equity to total assets whose value is according to the standard. This ratio shows the importance of the source of loan capital and the level of security held by creditors. The higher this ratio means the smaller the amount of loan capital used to finance company assets

**Table 3.7 Calculation of ROE**

Year	Profit After Tax (IDR)	Own Capital (Rp)	ROE (%)	Weight
2017	9.958	9.971	99,86	20
2018	9.426	7.408	1,27	4
2019	312.878	17.250	18,13	20

*Source: Data processed by researchers in 2020*

From 2017 to 2019 the ROE level owned by PT. Telekomunikasi Indonesia Tbk is 99% in 2017, 1.27% in 2018 and 18% in 2019. According to the Decree of the Minister of BUMN No.KEP100/MBU/2002, the ROE score for 2017 and 2019 is 20. And in 2018 the ROE is 4. This means ROE has reached the maximum score. Judging from the score achieved by the company, it has shown good financial performance. This is due to the efficient use of its own capital which

ultimately generates quite good income.

**Table 3.8 Calculation of ROI**

Year	Total Ebit & Depreciation	Total Capital employed	ROI	Score
2017	63.105	47.561	1,32	3
2018	57.811	43.268	1,33	3
2019	61.086	41.722	1,46	3

Source: Data processed by researchers in 2020

From 2017 to 2019, PT. Telekomunikasi Indonesia Tbk had a relatively low Return on Investment (ROI), with values ranging from 1.32% to 1.46%. According to the Minister of BUMN's decree, a minimum ROI score of 3 was expected. This indicates that the company's profitability and management of investments were not up to standard, leading to a decline in financial performance. However, the company's profitability ratio during this period remained relatively good. Despite the low ROI, the company demonstrated efficiency and profitability through its income and cash flow levels. Overall, PT. Telekomunikasi Indonesia Tbk has room for improvement in effectively managing its assets to generate higher profits and enhance its financial performance.

**Table 3.9 EPS Calculation**

Year	Two Net After Tax (Rp)	Outstanding Shares (Rp)	EPS (Rp)
2017	32.701	99.062	0,33
2018	26.979	99.062	0,27
2019	27.592	99.062	0.27

Source: Data processed by researchers in 2020

EPS is a financial ratio that indicates the portion of profits distributed to shareholders for each share they own. In 2017, the EPS was 0.33, while in 2018 and 2019, it remained at 0.27. These figures represent the annual net income received by investors. Based on the calculation results of each indicator PT. Telekomunikasi Indonesia Tbk from 2017 - 2019 above, the results are as follows:

**Table 3.10 Calculation of Each Indicator**

Ratio	Indicator	2017	2018	2019
Liquidity	Current Ratio	1,04%	0,93%	0,71%
	Race Who	2,87%	2,61%	2,08%
Activity	<i>Collection period</i>	26.2 days	31.8 days	31.7 days
	Inventory turnover	1.7 days	2.00 days	1.5 days
	THIS	3,6 %	3,0 %	3,2 %
Solvability	TMS Thp TA	35 %	36 %	34 %
	ROE	99%	1,27%	18%

Profitability	ROI	1,3%	1,3%	1,4%
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Source: Data processed by researchers in 2020

**Table 3.11 Details of Financial Aspect Weigh**

Ratio	Indicator	2017	2018	2019
Liquidity	Race Who	0	0	0
	Current Ratio	0	0	0
Activity	Collection period	5	5	5
	Rotation inventory	5	5	5
	THIS	1,5	1,5	1,5
Solvability	TMS Thp TA	10	10	10
Profitability	ROE	20	4	20
	ROI	3	3	3
<b>TOTAL</b>		<b>44,5</b>	<b>28,5</b>	<b>44,5</b>

Source: Data processed by researchers in 2020

**Table 3.12 Financial Soundness Level**

Year	Total Weight (i)	Standard Weight (ii)	Total Shoes (i/ii x 100)	Category	Level Health
2017	44,5	70	63,57	BBB	LESS HEALTHY
2018	28,5	70	40,71	BB	LESS HEALTHY
2019	44,5	70	63,57	BBB	LESS HEALTHY

Source: Data processed by researchers in 2020

Based on the analysis of the data, it can be concluded that PT Telekomunikasi Indonesia Tbk's financial health from 2017 to 2019 was less healthy according to the Ministerial Decree assessment criteria. The total scores fluctuated each year, with a score of 63.57 and BBB assessment in 2017, and 40.71 with BB assessment in 2018. Although certain indicators such as TMS, ROE, and returns to shareholders received maximum scores, other indicators such as Cash Ratio, Current Ratio, Inventory Turnover, Total Asset Turnover (TATO), and Return on Investment (ROI) showed significant changes. Overall, the company's performance is considered good when evaluated based on ratios, except for liquidity ratios. However, according to the Ministerial Decree, PT Telekomunikasi Indonesia Tbk's financial health is deemed unhealthy during the period of 2017-2019.

#### 4. CONCLUSION

Based on the formulation of the problem, research results, and discussions that have been carried out in order to analyze the financial performance of PT. Telecommunications Tbk for the 2017-2019 period, there are several conclusions as follows: The results of the financial performance assessment of PT. Telekomunikasi Indonesia Tbk in the 2017-2019 period according to Ministerial Decree Number: 100/MBU/2002 shows that the company always gets the title of

Unhealthy Category BBB, BB. In 2017-2019 the accumulated weight and assessment of PT. Indonesian telecommunications are the same, namely in 2018 it was 44.5 in 2017 year with 2019 total score 63,57. In 2019, PT. Telekomunikasi Indonesia Tbk. and its subsidiary Telkomsel achieved commendable performance despite challenges in the cellular industry, political agenda, and trade war. Telkomsel maintained its position as Indonesia's largest operator with 171.1 million subscribers, including 110.3 million mobile data users. The strong performance was driven by successful implementation of customer-focused programs, intensified digital business, and cost effectiveness. Telkom is confident in its capabilities to support growth and maintain profitability by meeting diverse customer needs.

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