

## FINANCIAL PERFORMANCE ANALYSIS OF PT. SALIM IVOMAS PRATAMA TBK BEFORE AND DURING COVID-19 PANDEMIC

Wiwiek Mardawiyah Daryanto  
Muhammad Kevin Leon  
Anisa Ananta Citra

### ABSTRACT

*Covid-19 has a huge impact on the national economy and also to various companies in Indonesia. One of the impacts created by Covid-19 pandemic is the price increase of Crude Palm Oil (CPO). However, Covid-19 pandemic caused the price of CPO to increase in March 2020. PT. Salim Ivomas Pratama Tbk (PT. SIMP) as one of the producers of CPO also affected by the price increase of CPO due to Covid-19 pandemic. Therefore, the purpose of this study is to measure the financial performance of PT. SIMP and to examine the significant differences between the financial performance before and during the Covid-19 pandemic. The data used in this study were collected from financial reports of PT. SIMP was divided into two periods, before Covid-19 pandemic (2019) and during Covid-19 Pandemic (2020). The financial ratios that were analyzed are profitability ratio, liquidity ratio, solvency ratio, and activity ratio. The methods that are used to analyze the data were financial ratio analysis (FRA) to analyze the financial performance and paired sample t-test and 1-sample wilcoxon test used to conduct the hypothesis testing. The finding of this study showed that the sales of PT. Salim Ivomas Pratama Tbk was increased 6% during the Covid-19 Pandemic. However, the result of this study also showed that there is no significant difference between financial performance before and during Covid-19 pandemic. This study would be beneficial to management and managers who are continually attempting to explore strategies to generate higher returns while improving their performance during and after the Covid-19 pandemic before investors make a decision.*

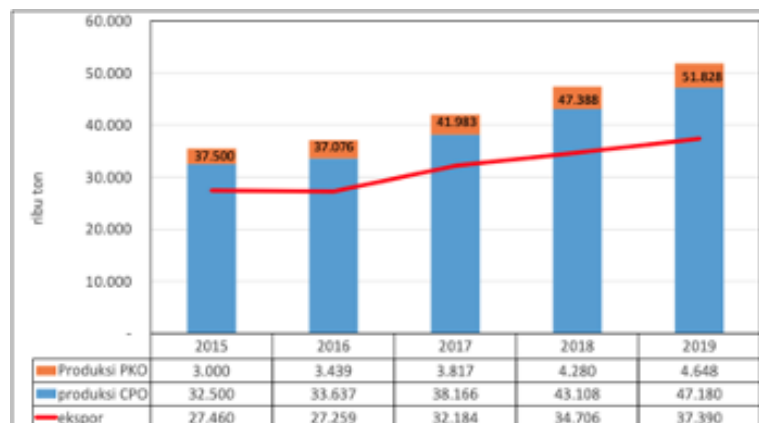
Key words: Financial Performance, Oil Palm Companies, Financial Ratios, Paired t-test, Covid-19

### INTRODUCTION

COVID-19 suddenly came to Indonesia in early 2020, causing a prolonged pandemic. The COVID-19 pandemic contains a significant impact on the economy. The impact widely affects all sectors of the economy, not only in Indonesia but moreover all through the world. In Indonesia, Numerous sectors of industry have been adversely affected but not all are negatively affected. Besides it there are also some sectors that have experienced an increment in company revenue due to this pandemic. One of the positive impacts on Indonesia's economy happens within the agricultural industry especially in oil palm companies.

Oil palm is a mainstay commodity in Indonesia which has an important role in the Indonesian economy. The positive outlook of palm oil commodities in the international markets of vegetable oil has prompted the Indonesian government to spur the development of oil palm plantation areas. The prospects for the development of the palm oil industry are currently very rapid, where there is an increase in the amount of palm oil production along with the increasing needs of the community. According to GAPKI, Oil palm plantations in Indonesia had expanded to 16.38 million hectares by 2019. Nearly 70% of oil palm plantations are in Sumatra, with the rest scattered in Aceh, Kalimantan, Sulawesi and Papua. Along with the expansion area of oil palm plantations in Indonesia, the number of palm oil mills had also expanded in both number and capacity. In 2019, Indonesia produced 51,828 million tons of CPO oil, about 70% of which was exported and 30% of which was consumed domestically (GAPKI). Palm oil production in the form of Palm Kernel Oil (PKO) and Crude Palm Oil (CPO) continues to increase every year.

Figure 1. Production & Export of Palm Oil in Indonesia



PT. SIMP is one of the agricultural companies in Indonesia that has benefited from the Covid-19 pandemic. Based on the comparison of financial reports between 2019 and 2020, the company revenue of PT. SIMP increases 6% by 2020. This can be curiously to investigate; therefore, this paper will examine how this can happen from the perspective of PT. SIMP financial performance analysis before and during Covid-19 Pandemic. Financial results can be calculated using a number of financial ratios. There are 4 categories of ratios that were used, Profitability Ratio, Liquidity Ratio, Solvability Ratio, and Activity Ratio. In Profitability Ratio there are 3 variables, Return on Assets, Return on Equity and Net Profit Margin. In Liquidity Ratio, Current Ratio, Quick Ratio and Cash Ratio. In Solvability Ratio, Debt to Assets Ratio (DAR) and Debt to Equity Ratio (DER). In Activity Ratio, Total Assets Turnover, Inventory Turnover and Fixed Assets Turnover.

**LITERATURE REVIEW**

**Oil Palm Industry in Indonesia and Global**

The palm oil industry is one of the strategic industries, because it is related to the agricultural sector (agro-based industry) which is widely developed in tropical countries such as Indonesia. Palm tree as a producer of palm oil and palm kernel is one of the prima donna of plantation crops which is a source of non-oil and gas foreign exchange for Indonesia. The palm oil industry produces not only cooking oil, but also essential materials for other industries such as the food industry, cosmetics, and soap industry. Indonesia is the world's leading producer of palm oil with more than 30 million tonnes produced per year. However, more than two million Indonesians work in the palm oil sector, and many others don't clearly affect the industry's economic benefits. Between 2000 and 2010, global demand for palm oil more than doubled and continues to increase. About 40% of oil palm plantations in Indonesia are managed by smallholders, but they only contribute 30% of the national palm oil production, due to lack of access to finance and poor agricultural techniques and low seed quality. (SEAJBEL).

Most of Indonesian palm oil products are exported abroad, but some are sold domestically to meet domestic demand. Indonesia exports palm oil to five continents and several countries, which include Asia, Africa, Australia, America, and Europe, with the highest demand on the Asian continent. In 2018, Palm oil exports reached US\$ 17.8 billion or contributed around 3.5% of the national GDP. Analysis performance of the international palm oil market shows an increase in production, import, export and consumption of palm oil in 2019, around 75.81 million tonnes of palm oil production in the world with global production reaching 75.81 million tonnes and exports reaching 54.57 million tonnes. Indonesia and Malaysia are the world's largest producers with a total export share of around 83.83% in 2019.

Other strategic functions of palm oil include: (1) it is a labor-intensive industry, with an estimated 16.2 million workers, both employed directly and indirectly in 2018, (2) palm oil exports are the largest contributor to foreign exchange, with an estimated value reached US \$ 20.54 billion (Rp289 trillion) in 2018. (GAPKI in katadata.co.id, 2019), (3) food sources, with approximately 9.86 million tonnes of palm oil forecast to be used in the food industry in 2019, mainly as cooking oil. (4) Regional development, with oil palm plantations now in 26 provinces across Indonesia, contributing to the growth of the regional economy. (5) Between 2015 and 2019, Indonesia saved 12.61 million kiloliters of fossil fuels according to the mandatory biodiesel scheme, reducing national fuel imports; and (6) the proportion of smallholder oil palm plantations is around 41% of the total area of coconut plantations oil palm in Indonesia, indicating that oil palm plantations contribute to improving community welfare.

**Palm Oil in Indonesia during Covid-19**

The Covid-19 pandemic, which reached all countries in early 2020, was a big shock to the global economy, affecting commodity stock prices. Covid-19 was first confirmed and announced by WHO at the end of December 2019, and now it has spread to and attacked a variety of countries around the world, including the destination country for Indonesian palm oil exports (Amalia et al, 2020). The economic crisis caused by the Covid-19 pandemic has so far affected a number of countries around the world, including the major importing countries of Indonesian palm oil, such as China, India, the European Union, Africa, the United States, the Middle East, and others. Indonesia, as a populous country should take cautions regarding the uncertainty of the outbreak too since it was predicted that the volatility of the predictions of theoretical ending dates of pandemic in the archipelago is high (Nurkhoir et al, 2020).

Figure 2. Export Destination countries for Indonesian Palm Oil (GAPKI)

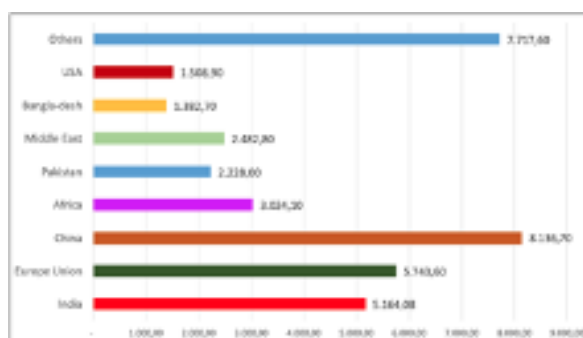
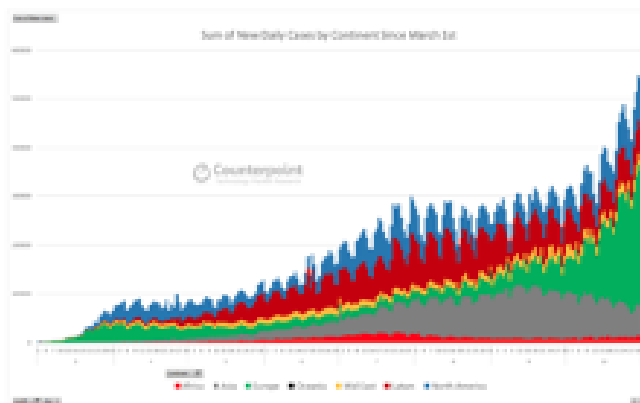


Figure 3. Number of confirmed covid-19 cases in various countries. (WHO)



The figure 2 and 3 shows the destination country countries for Indonesian palm oil exported and the growth of Covid-19 cases in different countries (Reynalto, 2019). The Covid-19 pandemic also impacted Asia and Europe, which are the main destination countries of palm oil exports. Indonesia exports approximately 68% of CPO production to Asia and 14% to Europe. The Palm Oil Industry itself contributes 10-15% to the total of Indonesian exports (GAPKI, 2020).

In early 2020 the palm oil industry saw a rising hope. But then the Covid-19 pandemic altered the condition and the year 2020 turned into a new cycle of market sluggishness. During the Covid-19 pandemic, the oil palm plantations have continued to operate normally. The covid-19 preventive protocol has been strictly implemented in plantations and residential areas of employees. Normally, the plantations' works are not undertaken in groups. Each worker works separately on harvesting and maintaining. In fact, the first company that encouraged its employees not to go "mudik" (back to their own native places) for celebrating the Idul Fitri was an oil palm plantation company. It is aimed to prevent the infection of the coronavirus (Covid-19). Such a method is considered effective in preventing the spread of the Covid-19 pandemic in the oil palm plantations. Thus far, in the oil palm plantations there has been no report of confirmed positive cases of Covid-19. Perhaps, after the Covid-19 pandemic the CPO and derivative products are facing a market condition that is more competitive and complex. The Covid-19 pandemic should drive the oil palm plantations into a condition that will force the industry to change faster because of the market competition.

### Previous Research on Financial Performance

Financial ratios analyzed (FRA) from financial reports are a very useful indicator for companies to explain past, current, and future financial situations, according to (Ahmad Khaliq et al., 2014). FRA is based on the analysis of accountable information, especially on the balance sheet, income statement, cash flow statement and statement of financial position (Cubaque-zorro et al., 2014). Financial performance is a reflection of a company's financial conditions in a certain period, encompassing facets of fund aggregation and allocation that are measured by the capital adequacy indicators, liquidity and profitability (Jumingan, 2014). Financial statements are prepared per period, which illustrate the company's financial situation at a certain time or time period, three months, for example, or six months, depending on the company's internal interest (Cashmere, 2015). Companies can find out the level of the company's financial health using financial ratio analysis and can predict the company's finances for the future. There are several financial ratios that can be used to analyze a company's financial performance, but in this paper the authors only use profitability ratios, liquidity ratios, solvency ratios, and activity ratios, to assess the financial performance of PT. Salim Ivomas Pratama, Tbk before and during the Covid-19 pandemic.

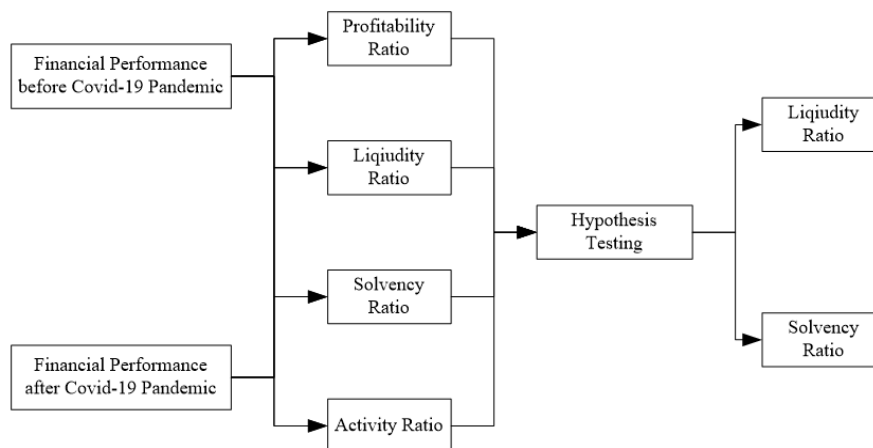
There are several studies that already discussed financial ratio analysis to see the financial performance of PT. SIMP. One study from (Dwilita et al., 2019) which uses analysis of profitability ratios, solvency ratios, and activity ratios shows that the financial performance of PT. SIMP in the 2010-2016 period is still in the safe category. The results of the solvency ratio analysis, which is measured based on the debt to equity and debt to assets ratios, show that during the year 2010-2016 PT Salim Ivomas Pratama, Tbk. has a good ability to fulfill all its obligations with its capital and assets owned. Although the results of profitability ratios analysis measured based on the return on investment and return on equity ratios tended to decrease and the total assets turnover ratios at PT. SIMP was fluctuating, the company was still able to manage its resources quite well. The other study from (Naufal, 2020) also shows the financial performance of PT. SIMP which from 2017-2019 period is still in the safe category through profitability, liquidity, solvability and activity ratio analysis, although in 2019 the result of the profitability ratio analysis measured based on the return on assets, return on equity and net profit margin ratios tended to decrease which meant the company not quite capable to attain profit, but liquidity ratio, solvability ratio and activity ratio are still performing normally compared to previous years. As a result, the company was still able to manage its resources well enough.

There is a different situation with previous research on financial performance. In this research, specifically comparing the situation between before the Covid-19 pandemic and during the Covid-19 pandemic by using limited data (Q1- 2019 to Q4-2020) and the previous research generally used data from the past few years to analyze financial performance during normal situations.

## RESEARCH MODEL

Research model for this study is adapted from the previous study (Daryanto, et al. 2018) based on figure 4. The research model describes the process of financial performance measurement and examines the difference between the performance of PT. SIMP before and during the Covid-19 pandemic. It also widened the knowledge in this study with more practical experience.

Figure 4. Research Model



## HYPOTHESIS

- H1: There is a significant difference in Return on Assets (ROA) before and during Covid-19 pandemic.
- H2: There is a significant difference in Return on Equity (ROE) before and during Covid-19 pandemic.
- H3: There is a significant difference in Net Profit Margin (NPM) before and during Covid-19 pandemic.
- H4: There is a significant difference in Current Ratio before and during Covid-19 pandemic.
- H5: There is a significant difference in Quick Ratio before and during Covid-19 pandemic.
- H6: There is a significant difference in Cash Ratio before and during Covid-19 pandemic.
- H7: There is a significant difference in Debt to Assets Ratio before and during Covid-19 pandemic.
- H8: There is a significant difference in Debts to Equity Ratio before and during Covid-19 pandemic.
- H9: There is a significant difference in Asset Turnover before and during Covid-19 pandemic.
- H10: There is a significant difference in Inventory Turnover before and during Covid-19 pandemic.
- H11: There is a significant difference in Fixed Asset Turnover before and during Covid-19 pandemic.

## METHODOLOGY

In this study, descriptive financial ratio analysis used to describe, measure, and analyze the financial performance of PT. SIMP before Covid-19 pandemic and during Covid-19 pandemic. Paired sample t-test is also used to examine the significance differences between the two periods. Paired sample t-test is one of statistical techniques to compare two population means to use in before-during studies (Devi et al, 2020). It has been used previously in many studies in productivity, business, medical, and much more (26,27). The data that was used in this research were collected from PT. SIMP annual report (audited) from 2019 to 2020 (PT.Salim Invomas, 2020). The data were divided into quarterly data so it will analyze quarterly from Q1 2019 to Q4 2020. The variables of this research are shown in table 1. The variables consist of profitability ratio, liquidity ratio, activity ratio, and solvency ratio (Erika, 2016).

## RESULT AND DISCUSSION

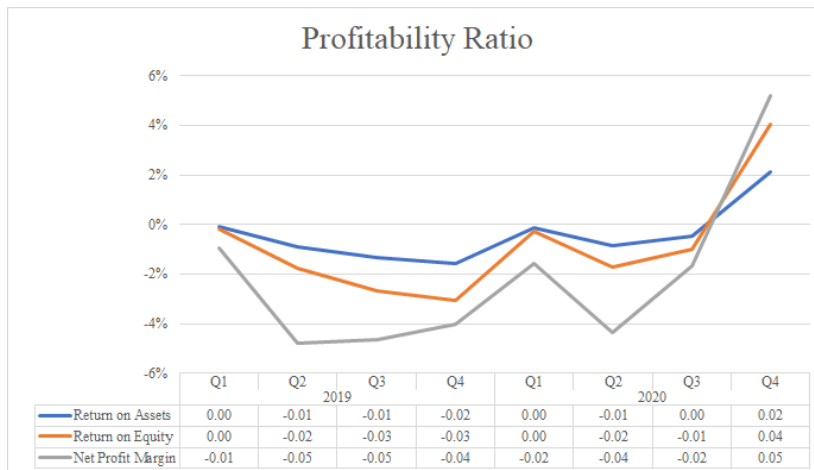
Before conducting the analysis of the PT.SIMP financial performance, using the annual report from 2019 and 2020, a financial ratio was calculated in order to be able to analyze the financial performance of PT.SIMP. The data of the financial ratio is divided quarterly. This happens due to the limited amount of the data during the Covid-19 Pandemic. So in order to calculate the statistical correlation of PT.SIMP before and during the Covid-19 Pandemic the data need to be divided by quarter (Neo-bis et al, 2020). There are 4 financial performance categories that are calculated, Profitability, Liquidity, Activity, and Solvency Ratio.

### Profitability Performance

Profitability is the ability of the company to operate in gaining profits in relation to sales, total of their assets, and its capital (Yusuf et al, 2018). Also, it's the ability of a company to generate profit within a certain period. Usually calculated with profitability ratios (Said et al, 2016). To analyze the profitability performance of the company, 3 ratios were used to analyze the performance. The result of the profitability ratio trend is shown in figure 5. The line chart in figure 5 gives information regarding the percentage of return on investment (ROA), return on equity (ROE) and net profit margin in PT. SIMP between 2019 and 2020. The data is divided into quarterly data so the data that has been analyzed are the data from the first quarter of 2019 to the fourth quarter of 2020. The graph shows overall increase in ROA, ROE, and NPM. The highest percentage between the three ratios is NPM followed by ROE

and the lowest percentage is ROA. In Q1 and Q2 of 2020, the percentage of ROA, ROE, and NPM decreased. It's caused by the early Covid-19 pandemic. Although the profitability ratio dropped significantly in Q2, it was easily bounced back in the Q3 and Q4 of 2020. ROA increased from 0% to 2% during the Covid-19 pandemic. The percentage of ROE was also increased from -1% to 4% from Q3 of 2020 to Q4 of 2020. NPM percentage was also increased from -2% to 5% in the Q4 of 2020. This happened during the Covid-19 pandemic. The price of crude palm oil (CPO) increased due to the shortage of production because of the lockdown in the CPO producer's country (Mulyaman et al, 2020).

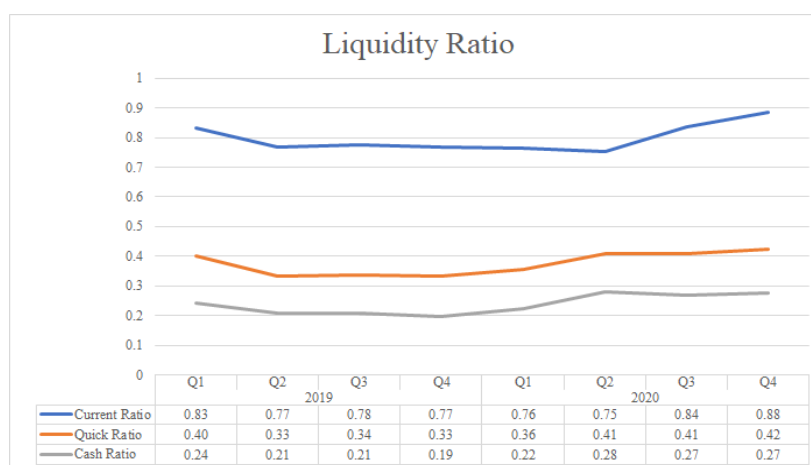
Figure 5. Profitability Ratio



### Liquidity Performance

Liquidity performance trend graphs from 2019 to 2020 are shown in figure 6. The graph showed the percentages of current ratio, quick ratio, and cash ratio of PT. SIMP. The data is divided into quarterly data so the data shown are between the first quarter of 2019 to the fourth quarter of 2020. Overall, there was a slight increase in the percentage of cash ratio, current ratio, and cash ratio. Based on the graph in figure 6, the highest value was current ratio and the lowest was cash ratio. From this liquidity ratio we can see how well the company will be able to pay their short-term liabilities (Sari, 2020). Current ratio compares all current assets relatively to current liabilities. As we can see in the graph in figure 6. In the beginning of 2019, the current ratio was 0.83 and at the end of 2020 the current ratio was 0.88. There was a slight increase in current ratio in Q4 of 2020 compared to Q1 of 2019. The value of quick ratio in Q1 of 2019 was 0.40 and had a slight decrease throughout 2019 and finally the quick ratio of PT. SIMP was also slightly increased in Q4 of 2020 to 0.42. The cash ratio also had the same trendline with the quick ratio. It started at 0.24 in the beginning of 2019 and had a slight decrease in Q2 of 2019 and then started to increase slightly throughout the 2019 and 2020 year. At the end of 2020, the value of cash ratio of PT. SIMP was 0.27. The value was slightly higher than in the beginning of 2019. All of the three ratios were below 1 and it means that PT. SIMP was not liquid before or during the Covid-19 pandemic. It's because their current assets, monetary assets, and their cash were not able to back up their current liabilities.

Figure 6. Liquidity Ratio

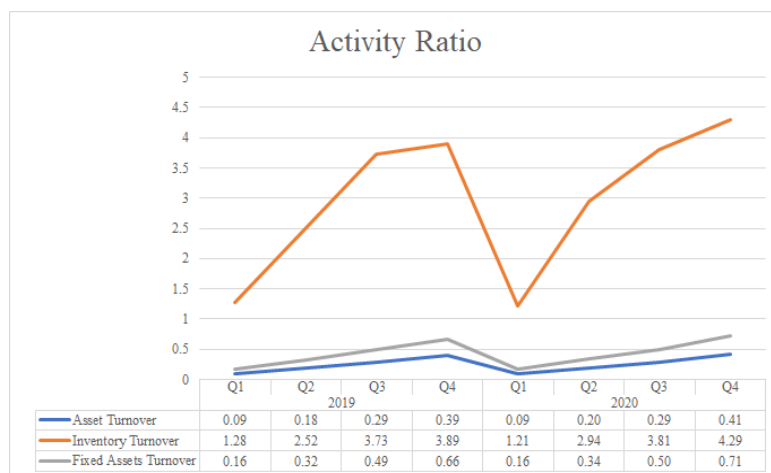


**Activity Performance**

The graph for the activity trend of PT. SIMP is shown in figure 7. The graph showed assets turnover, inventory turnover, and fixed assets turnover. On the inventory turnover, the pattern fluctuated compared to asset turnover and fixed asset turnover. Asset turnover and fixed asset turnover showed a similar pattern from Q1 of 2019 to Q4 of 2020. Total asset turnover ratio shows the ability and efficiency of a company’s assets to generate revenue. The value of total asset turnover in Q1 of 2019 was 0.09 and in Q4 of 2020 the value was increased to 0.41. The total inventory turnover in Q1 of 2019 was 1.28 and it was increased significantly in Q4 of 2020 to 4.29. It means that the efficiency of the inventory to generate revenue was increased during Covid-19 pandemic. The last ratio was fixed asset turnover. It was also increased from 0.16 in Q1 of 2019 to 0.71 in Q4 of 2020.

It means that even though the Covid cases arose in Indonesia, it showed a lot of decrease in Inventory Turnover in Q1 of 2020. But it quickly rebound and back to the position of Q4 2019 in approximately Q3 of 2020. And it showed that the effect of pandemic is not affecting PT.SIMP activity performance in the long run. It was probably just a shock from the viruses that every industry was not ready and didn’t really know what to do. But PT.SIMP can quickly back on their feet and continue to operate normally in Q2 of 2020.

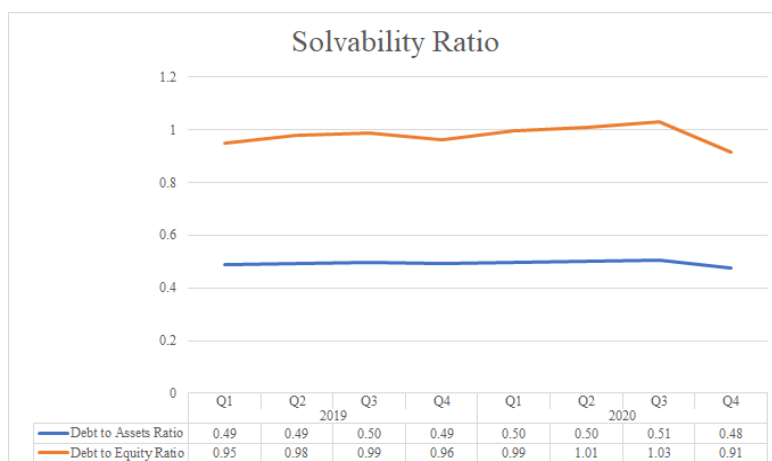
Figure 7. Activity Ratio



**Solvency Performance**

The result of the solvency ratio of PT. SIMP is shown in figure 8 as a form of graph. The solvency ratios that are used in this research were debt to assets ratio (DAR) and debt to equity ratio (DER). DAR is a leverage ratio that defines the total amount of debt relative to the total amount of assets that the company owns. Based on the graph in figure 8, the trend for DAR was relatively flat, the value of DAR in Q1 of 2019 was 0.49 and in Q4 of 2020 it decreased slightly to 0.48. This means that the greater portion of a company's assets were funded by the owner’s equity. The percentage of DER was also flat but in the Q4 of 2020 had a slight decrease from 1.03 in Q3 of 2020 to 0.91 in Q4 of 2020. It means that PT. SIMP solvability performance is better during the Covid-19 pandemic. It’s because if the DER and DAR value are lower than 1, it means that the company leverage is good and not financing its growth on debt or liabilities. This also shows that even when the pandemic hit in 2020, PT. SIMP can maintain the solvency of the company even though many industries were affected by Covid-19 Pandemic.

Figure 8. Solvability Ratio





## Data Analysis

Before conducting the hypothesis, the data needs to be analyzed and tested whether the data distribution is normal or not. By conducting the normality test, the result will show if the data is normally distributed or not. If the data is normally distributed, the hypothesis can be done with paired sample t-test, but if not, the hypothesis testing methods can be done using wilcoxon signed rank test (Restianti, 2018). The results of the normality test are shown in Table 1. To test the distribution of the data to find out the normality of the data, kolmogorov-smirnov method is used to test the data. After we find the normality of the data, analysis using p-value based on the Table 1 can be done. And the next step after we analyze the the data using p-value, the data then tested using hypothesis testing in order to find out is there any significant difference between financial performance of PT.SIMP before and during the Covid-19 Pandemic.

Table 1: Normality Test Result

Description	Period	Mean	Std. Deviation	N	KS	p-Value
ROA	Before	-0.0096849	0.00652364	4	0.216	0.15
	During	0.001562	0.01340586	4	0.339	0.1
ROE	Before	-0.0191279	0.01286954	4	0.221	0.15
	During	0.0026172	0.02596741	4	0.335	0.113
NPM	Before	-0.0358956	0.01804503	4	0.34	0.098
	During	-0.0060823	0.04073067	4	0.343	0.094
Cash Ratio	Before	0.2128286	0.02053225	4	0.361	0.065
	During	0.2617131	0.0260087	4	0.338	0.104
DAR	Before	0.4923295	0.00438671	4	0.215	0.15
	During	0.4964695	0.01309909	4	0.316	0.15
DER	Before	0.9698918	0.01699354	4	0.214	0.15
	During	0.9869662	0.05069952	4	0.31	0.15
Asset Turnover	Before	0.2395525	0.12822351	4	0.166	0.15
	During	0.247495	0.13423944	4	0.147	0.15
Inventory Turnover	Before	2.854087	1.21387973	4	0.264	0.15
	During	3.0637152	1.35659891	4	0.213	0.15
Fixed Asset Turnover	Before	0.4082883	0.21444442	4	0.152	0.15
	During	0.4286417	0.23560436	4	0.152	0.15

From table 1, the p-value for current ratio before Covid-19 pandemic was 0.041 (<0.05) which indicates that the data is not normally distributed. The result of p-value for quick ratio before Covid-19 pandemic was 0.02 (<0.05) which also indicates that the data is not normally distributed. Therefore, to conduct the hypothesis testing for current ratio and quick ratio, the methods that are used are 1-sample wilcoxon test. This test is considered is the most known non parametric hypothesis testing. It is conducted by comparing the means of the population. It also assumes that the data is randomly distributed and the value of the standard deviation is unknown. Because is a non-parametric method, it can be used to do the hypothesis testing for data that are not normally distributed (Ramana). 1-sample wilcoxon are used for this ratio due to the data being not normally distributed, so the 1-sample wilcoxon tests are used for the non-parametric hypothesis testing for both current ratio and quick ratio (Montgomery, 2018).

Meanwhile, for the other ratios such as ROA, ROE, NPM, cash ratio, DAR, DER, Asset Turnover, Inventory Turnover, Fixed Asset Turnover hypothesis testing methods that are used are pair sample t-test. By comparing the value of two means of the data it will shows whether it's correlated or not. By conducting this test, it will show if there is a statistical evidence that will proof there is a mean difference between the variables (Ashraf, 2020). The paired sample t-test is a parametric test (Kim 2015). Which means that these methods will be viable for testing the significance difference in financial performance before and during the Covid-19 pandemic for the other ratios. After the methods to use in the hypothesis testing are decided, then hypothesis testing can be conducted.

## Hypothesis Testing

Number of hypotheses tested in this research are 11 hypotheses. Because there are 11 variables that are being analyzed in this research classified into 4 different ratios. The ratios are profitability ratio, liquidity ratio, solvency ratio, and activity ratio. In profitability ratio there are ROA, ROE, and NPM. Liquidity ratio includes Current Ratio, Quick Ratio, and Cash Ratio. For the solvency ratio there are DAR and DER. The last ratio is activity ratio that includes Asset Turnover, Inventory Turnover, and Fixed Asset Turnover (Priari, 2019). All of the variables are shown in table 2. For the hypotesting there are two methods that are used, the first one is paired sample t-test and the second one is 1-sample wilcoxon test (Daryanto et al, 2020). Paired sample t-test was used to analyze the correlation between financial performance before and during Covid-19 pandemic for the data that are normally distributed. For the data that are not normally distributed, wilcoxon signed rank tests were used to conduct the hypothesis testing. The paired sample t-test and 1-sample wilcoxon test was conducted using MiniTab software. The results of paired sample t-test are shown in Table 4 and the 1-sample wilcoxon test are shown in Table 5.

Table 2: The Variables

Profitability Ratio	Return on Assets	$= \frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$
	Return on Equity	$= \frac{\text{Net Income}}{\text{Total Shareholder's Equity}} \times 100\%$
	Net Profit Margin	$= \frac{\text{Revenue} - \text{Cost}}{\text{Revenue}} \times 100\%$
Liquidity Ratio	Current Ratio	$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$
	Quick Ratio	$= \frac{\text{Monetary Current Assets}}{\text{Current Liabilities}}$
	Cash Ratio	$= \frac{\text{Current Assets} + \text{Marketable Securities}}{\text{Current Liabilities}}$
Solvability Ratio	Debt to Assets Ratio	$= \frac{\text{Total Debt}}{\text{Total Assets}}$
	Debt to Equity Ratio	$= \frac{\text{Total Debt}}{\text{Total Shareholder's Equity}}$
Activity Ratio	Asset Turnover	$= \frac{\text{Sales Revenue}}{\text{Total Assets}}$
	Inventory Turnover	$= \frac{\text{Sales Revenue}}{\text{Inventory}}$
	Fixed Assets Turnover	$= \frac{\text{Sales Revenue}}{\text{Total Fixed Assets}} \times 100\%$

Based on the paired sample t-test calculation in table 3, the result showed that all of the p-value scores are greater than 0.05, this result means that all of the 9 hypotheses that tested using paired sample t-test are rejected. This result means that ROA, ROE, NPM, Cash Ratio, DAR, DER, Asset Turnover, Inventory Turnover, and Fixed Asset Turnover do not have a significant difference in financial performance before and during Covid-19 pandemic. In other words, this means that it had strong evidence that the Covid-19 pandemic did not affect the financial performance of PT. SIMP. Even though some of the performances are increasing and decreasing during the Covid-19 pandemic, the increase and the decrease of the financial performance is not significant compared to before Covid-19 pandemic. So even though CPO prices are dropping due to Covid-19 Pandemic, it has not really affected the financial performance of PT.SIMP. It can happen due to the quick recovery of CPO during Covid-19 pandemic.

Table 3: Paired Sample t-Test

Description	Period	Mean	Std. Deviation	t-Value	p-Value	N	KS	p-Value	Decision
ROA	Before	-0.0096849	0.00652364	-1.28	0.29	4	0.216	0.15	Reject the first hypothesis
	During	0.001562	0.01340586						
ROE	Before	-0.0191279	0.01286954	-1.28	0.291	4	0.221	0.15	Reject the second hypothesis
	During	0.0026172	0.02596741						
NPM	Before	-0.0358956	0.01804503	-1.35	0.269	4	0.34	0.098	Reject the third hypothesis
	During	-0.0060823	0.04073067						
Cash Ratio	Before	0.2128286	0.02053225	-2.13	0.123	4	0.361	0.065	Reject the sixth hypothesis
	During	0.2617131	0.0260087						
DAR	Before	0.4923295	0.00438671	-0.71	0.528	4	0.215	0.15	Reject the seventh hypothesis
	During	0.4964695	0.01309909						
DER	Before	0.9698918	0.01699354	-0.76	0.501	4	0.214	0.15	Reject the eighth hypothesis
	During	0.9869662	0.05069952						
Asset Turnover	Before	0.2395525	0.12822351	-1.83	0.164	4	0.166	0.15	Reject the ninth hypothesis
	During	0.247495	0.13423944						
Inventory Turnover	Before	2.854087	1.21387973	-1.73	0.183	4	0.264	0.15	Reject the tenth hypothesis
	During	3.0637152	1.35659891						
Fixed Asset Turnover	Before	0.4082883	0.21444442	-1.72	0.184	4	0.152	0.15	Reject the eleventh hypothesis
	During	0.4286417	0.23560436						

For the ratio that is not normally distributed, 1-sample wilcoxon tests are used for hypothesis testing. The variables that are tested using this method are Quick Ratio and Cash Ratio. The results of hypothesis testing using 1-sample wilcoxon test are shown in table 4. The p-value of both current ratio and quick ratio are <0.05 which also indicates that there's no significant difference in financial performance before and during the Covid-19 pandemic. Therefore, the increase of current ratio and quick ratio are not significant and both are not affected by Covid-19 pandemic based on the paired sample t-test and 1-sample wilcoxon. Therefore PT.SIMP can operate normally during this pandemic because based on the result of the hypothesis test, Covid-19 not really affecting PT.SIMP financial performance. And the price increase of CPO is also giving PT.SIMP an increase that is not really significant in financial performance.



Table 4: 1-sample Wilcoxon Test

Description	Median	N	Wilcoxon Statistic	p-Value	Decision
Current Ratio	-0.023764	4	4	0.855	Reject the fourth hypothesis
Quick Ratio	-0.749261	4	0	0.1	Reject the fifth hypothesis

Overall, after conducting the hypothesis testing using paired sample t-test for ROA, ROE, NPM, Cash Ratio, DAR, DER, Asset Turnover, Inventory Turnover, and Fixed Asset Turnover and 1-sample wilcoxon test for Current Ratio and Quick Ratio the result shows that all of the variables reject the hypothesis. It means there is no significant difference between the financial performance of PT.SIMP before and during Covid-19 pandemic. Therefore, even though many sectors of industries are affected by Covid-19 pandemic, CPO Industry or in this case PT.SIMP financial performance is not affected by Covid-19 pandemic. This can also be caused by the CPO prices that keep growing throughout the year of 2020 due to the high demand and low supply. Because Malaysia, one of the biggest CPO producers decided to lock down the country and stop producing CPO and it caused a shortage in CPO supplies. And China, one of the biggest importers of CPO also increased their supplies and it caused the price of CPO gone higher in this time of uncertainty. Thus, this can make PT.SIMP financial performance not affected by Covid-19 pandemic due to the price increase of CPO during Covid-19 Pandemic (Ulfah, 2021).

### LIMITATION

This study has shown the financial performance of PT. SIMP has increased even though it was not significantly in the situation before and during the Covid-19 pandemic, because the comparisons only centered on financial aspects of the Covid-19 pandemic situation which recently happened about a year ago, the data used was also limited. It is better to do research in a wider scope, not only focusing on the financial aspects. It is suggested to measure SEO financial performance in other aspects such as operations and administration.

### CONCLUSION AND RECOMMENDATION

The main goal of this research is to measure and analyze the financial performance of PT. SIMP and to examine the significant differences before Covid-19 pandemic (2019) and during Covid-19 pandemic (2020). By doing the data analysis and hypothesis testing of financial performance using paired sample t-test and 1-sample wilcoxon of PT. SIMP for a 2 years' time span. Based on the result, the research found that the financial performance of PT. SIMP before and during Covid-19 pandemic overall was stable and also some of the performance was increased. The percentages of Profitability of PT. SIMP was increased in Q4 of 2020 it means that during Covid-19 pandemic, PT. SIMP generated more profit compared to before the pandemic. This can also happen because of the price increase of CPO due to Covid-19 pandemic.

Activity performance of PT. SIMP has also increased slightly. But, the inventory turnover of PT. SIMP fluctuates a lot during the period of 2019-2020. This may be due to the first hit of Covid-19 pandemic and rebound after the increase of CPO due to covid 19 pandemic. Both asset turnover and fixed asset turnover also had a slight decrease in early 2020 and in Q2 of 2020 the value started to increase slightly.

On the other hand, the liquidity performance and solvability performance of PT. SIMP is considered stable. For the liquidity performance, there is a slight increase in 2020 compared to 2019. This means the company is more liquid than before. Solvability performance of PT. SIMP is also in stable condition but by the end of 2020 has a slight decrease compared to 2019. This means that the ability of the company to pay their long-term liabilities is decreasing compared to 2019.

However, the performance increase was not significant based on the hypothesis testing using paired sample t-test and 1-sample wilcoxon test. Therefore, the financial performance of PT. SIMP was not affected by the Covid-19 pandemic. This research has extended the knowledge in the financial ratio analysis theory from the crude palm oil industry.

According to research findings, the Covid-19 pandemic has no effect on PT. SIMP, as there seems to be no significant changes. It is suggested that to generate greater revenue PT. SIMP should maintain or expand its capabilities with replacing the current operation which fully rely on manpower in operating to use the technology.

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Wiwiek Mardawiyah Daryanto  
Sekolah Tinggi Manajemen IPMI  
Email: [wiwiek.daryanto@ipmi.ac.id](mailto:wiwiek.daryanto@ipmi.ac.id)

Muhammad Kevin Leon  
Sekolah Bisnis dan Manajemen, Institut Teknologi Bandung  
Email: [muhammad\\_leon@sbm-itb.ac.id](mailto:muhammad_leon@sbm-itb.ac.id)

Anisa Ananta Citra  
Sekolah Bisnis dan Manajemen, Institut Teknologi Bandung  
Email: [anisa\\_citra@sbm-itb.ac.id](mailto:anisa_citra@sbm-itb.ac.id)